

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA
SECOND APPELLATE DISTRICT
DIVISION FOUR
Civ. No. B 038975
(Super. Ct. No. C420153)

CHURCH OF SCIENTOLOGY OF CALIFORNIA
and MARY SUE HUBBARD,

Plaintiff-Petitioners,

-against-

GERALD ARMSTRONG,

Defendant.

CHURCH OF SCIENTOLOGY OF CALIFORNIA
and MARY SUE HUBBARD,

Petitioners,

-against-

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES,

Respondents.

BENT CORYDON, Real Party in Interest

Petition From Superior Court of California
County of Los Angeles
Judge Bruce R. Geernaert

NOTICE OF LODGING OF EXHIBITS

ERIC M. LIEBERMAN
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN, P.C.
740 Broadway at Astor Place
Fifth Floor
New York, New York 10003
(212) 254-1111

BOWLES & MOXON
6255 Sunset Boulevard
Suite 2000
Hollywood, CA 90028
(213) 661-4030

Counsel for Plaintiff-Petitioners

In conformance with California Rules of Court, rules 56(c)(2) and 56(c)(3), and pursuant to this Court's orders of December 22, 1988 and December 29, 1988, petitioners lodge true and complete copies of the following papers filed in the Superior Court as supplemental exhibits N through X to their Petition for Writ of Supersedeas or Other Appropriate Stay Order.


1. Exhibit N: Minute Order re Statement of Decision of July 20, 1984
2. Exhibit O: Notice of Motion of Bent Corydon to Unseal File of October 11, 1988
3. Exhibit P: Joinder in Motion to Unseal File of October 28, 1988
4. Exhibit Q: Plaintiff's/Intervenor's and Cross-Defendant's Opposition to Motion to Unseal File of November 2, 1988
5. Exhibit R: Reply to Opposition to Motion to Unseal File of November 7, 1988
6. Exhibit S: Plaintiffs/Intervenor's and Cross-Defendant's Motion for Clarification and/or Reconsideration to Preserve Seal on One Document Previously Held Excluded from Evidence and Held to be Protected by Attorney Client Privilege, and Five Additional Documents Previously Excluded from Evidence and Maintained Under Seal of November 15, 1988
7. Exhibit T: Joinder in Opposition to Reconsideration of Unsealing Order of November 22, 1988
8. Exhibit U: Opposition to Motion to Reconsider of November 23, 1988
9. Exhibit V: Reply to Opposition to Motion for Clarification and or Reconsideration to Preserve Seal on One Document Previously Held Excluded from Evidence and Held to be Protected by Attorney-Client Privilege, and Five Additional Documents Previously Excluded from Evidence and Maintained Under Seal of November 28, 1988
10. Exhibit W: Declaration of Paul Morantz of November 29, 1988

11. Exhibit X: Modified Order for Sequestering of
Files of December 27, 1988

Dated: January 9, 1989

Respectfully submitted,

BOWLES & MOXON

By: 
Timothy Bowles

Attorney for Petitioners

Date JULY 20, 1984

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

HONORABLE P G BRECKENRIDGE, JR JUDGE

J ANDERSON, COURT ATTENDANT

Deputy Sheriff

R HART

NONE

(Parties and counsel checked if present)

DEPT. 57
JUL 23 1984

Deputy Clerk

Reporter

C 420 153
CHURCH OF SCIENTOLOGY OF
CALIFORNIA,
VS
GERALD ARMSTRONG, .

Counsel for
Plaintiff

Counsel for
Defendant

MARY SUE HIBBARD - INTERVENOR

NATURE OF PROCEEDINGS. REQUEST OF DEFENDANT THAT MEMORANDUM BE DEEMED
STATEMENT OF DECISION

Plaintiffs not having requested such, the Court grants defendant's motion, and the Memorandum of Intended Decision will henceforth be deemed the Court's "Statement of Decision".

A copy of this minute order is mailed to all counsel.

(1)

DEPT 57

MINUTES ENTERED

7-20-84

COUNTY CLERK

PAUL MORANTZ
Professional Corporation
P.O. Box 511
Pacific Palisades, California 90272
(213)459-4745

Attorney for Bent Corydon

RECEIVED

OCT 14 1988

EL&H

IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

Plaintiff,

vs.

GERALD ARMSTRONG

Defendant.

MARY SUE HUBBARD,

Intervenor

CASE NO. C420153

NOTICE OF MOTION OF BENT
CORYDON TO UNSEAL FILE

DATE: NOVEMBER 9, 1988

TIME: 9:00 A.M.

DEPT: 56

TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

PLEASE TAKE NOTICE that on November 9, 1988, in DEPT 1 of the
above entitled court, located at 111 N. Hill Street, Los Angeles
CA 90012, at 10:30 a.m. or as soon thereafter as the matter may
be heard, Bent Corydon will move the court for an order that:

THE HEREIN FILED BE UNSEALED

Said motion shall be based upon the attached declaration(s),
points and authorities, the file, and such evidence and argument
to be given.

DATE: 11-11-88

PAUL MORANTZ

1 PAUL MORANTZ
2 Professional Corporation
3 P.O. Box 511
4 Pacific Palisades, California 90272
5 (213)459-4745

6 Attorney for Bent Corydon

7
8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES

10 CHURCH OF SCIENTOLOGY OF
11 CALIFORNIA,

12 Plaintiff,

13 vs.

14
15 GERALD ARMSTRONG

16 Defendant.

17
18 MARY SUE HUBBARD,

19 Intervenor

) CASE NO. C420153
)
)

12) MEMORANDUM OF POINTS AND
13) AUTHORITIES IN SUPPORT
14) OF MOTION OF BENT
15) CORYDON TO UNSEAL FILE

16) DATE: NOVEMBER 9, 1988
17) TIME: 9:00 a.m.
18) DEPT: 56

1 I. INTRODUCTION

2 1. On August 10, 1984, the Honorable Judge Paul
3 Breckenridge entered judgment in the case of THE CHURCH OF
4 SCIENTOLOGY OF CALIFORNIA v. ARMSTRONG, Los Angeles Superior
5 Court Case No. C 420153 (hereinafter "Armstrong"). It is
6 plaintiffs' understanding, Judge Breckenridge found that the
7 Church of Scientology (hereinafter "Scientology"), used "Fair
8 Game Policy," and that the Church used information obtained
9 through private counseling to harass members who subsequently
10 left Scientology. We have been advised by the court clerk the
11 case is currently under seal.

12 2. This office represents Bent Corydon whom two
13 Scientologists, Heber Jentzsch and John Carmichael, have sued
14 alleging he made libelous statements concerning them, i.e., they
15 lie pursuant to Scientology policy, Judicial Council Coordination
16 Proceeding No. 2151. In another Washington D.C. suit,
17 Scientology claims it has been defamed by allegations it
18 harasses.

19 3. Scientology, in a separate action, sued to regain a
20 church building from a splintered Scientology group involving
21 Bent Corydon. Corydon claims that the splintering from
22 Scientology was directly caused by the application of
23 Scientology's "Fair Game policy."

24 4. It is essential to the efficient, and equitable
25 resolution of these cases that defendant be granted access to the
26 opinion and documents currently under seal in Armstrong. Not
27 only may there be relevant information, but the findings of facts
28 may have collateral estoppel effect.

1 II. RELIEF FROM THE PROTECTIVE ORDER
2 SHOULD BE GRANTED IN LIGHT OF THE FACT THAT THE
3 PRESENT CLAIMS AGAINST DEFENDANT CORYDON
4 CONCERN DEFAMATION.

5 5. In an action concerning defamation, the nature of the
6 claim is such that there is strong policy reason for opening
7 documents under seal. As stated in the California Penal Code:

8 "In any action or proceeding based upon
9 defamation, a court, upon a showing of good cause,
10 may order any records sealed under this section to
11 be opened and admitted into evidence. The records
12 shall be confidential and shall be available for
13 inspection only by the court, jury, parties,
14 counsel for the parties, and any other person who
15 is authorized by the court to inspect them. Upon
16 the judgment in the action or proceeding becoming
17 final, the court shall order the records sealed."

18 California Penal Code Section 1203.45 (f).

19 Furthermore, the judgment entered by Judge Breckenridge in
20 Armstrong stated:

21 "In any other legal proceedings in which defense
22 counsel, Contos and Punch and Michael J. Flynn, is
23 of record, such counsel shall have the right to
24 discuss such exhibits under seal, or their
25 contents, if such is reasonably necessary and
26 incidental to the proper representation of his or
27 her client." FORD v. SUPERIOR COURT, 233 Cal.
28 Rptr. 607, 608 F.N. 1 (e) (1986).

1 6. Thus, it is clear that Judge Breckenridge intended that
2 such information be available in subsequent litigation concerning
3 the issues involved, and defendant in the present action should
4 not be penalized for his failure to chose the above named
5 attorneys and firms for representation.

6 III. RELIEF FROM THE PROTECTIVE ORDER
7 SHOULD BE GRANTED BECAUSE THE OPINION AND
8 DOCUMENTATION UNDER SEAL IN ARMSTRONG IS NECESSARY
9 AND RELEVANT TO THE INSTANT ACTION

10 7. The Armstrong opinion, and documents admitted into
11 evidence therein are necessary and relevant to the instant action
12 as findings made in Armstrong will constitute collateral estoppel
13 with regard to many of the issues and allegations in the present
14 litigation. In Armstrong, Judge Breckenridge made findings to
15 the effect that Scientology used "fair game policy," and used
16 information obtained through private counseling in order to
17 harass members who had left Scientology. Such findings
18 constitute a bar against relitigation of the use by Scientology
19 of such policies and methods. These findings constitute
20 conclusive evidence of proof of the matter stated in defense of
21 the defamation actions brought by the Church of Scientology.

22 8. The Armstrong opinion is also directly relevant to the
23 claims brought by plaintiffs Jentzsch and Carmichael due to the
24 fact that Jentzsch and Carmichael were/are high ranking members
25 of the Church of Scientology, and as such were responsible for
26 the application of "fair game policy." The actions brought by
27 both Jentzsch and Carmichael allege that defendant made false
28 statements that Jentzsch and Carmichael lied pursuant to

1 "policy."

2 9. Plaintiff Jentzsch claims ~~that~~ Defendant Corydon
3 defamed him by stating that Jentzsch lies. One statement made by
4 Jentzsch and used by Defendant Corydon in his formulation of his
5 conclusion that Jentzsch lies concerns a statement made by
6 Jentzsch in a 1987 BBC broadcast wherein ~~Jentzsch~~ ~~stated~~ in
7 essence that the Breckenridge opinion was Nazi influenced. For
8 this reason it is essential that access to the file be granted so
9 that Defendant Corydon will be able to prove ~~the~~ reasonableness
10 of his conclusion that such statement was in fact a lie.

11 IV. RELIEF FROM THE PROTECTIVE ORDER
12 SHOULD BE GRANTED IN ORDER TO PREVENT
13 THE DESTRUCTION OR CONCEALMENT OF ESSENTIAL
14 DOCUMENTATION BY THE CHURCH OF SCIENTOLOGY IN
15 ACCORDANCE WITH SCIENTOLOGY POLICY

16 10. The documentation and opinion in the Armstrong case is
17 essential to the instant action. It has come to our attention
18 through the Declaration of Vicki J. Aznaran (see attached) that
19 it is standard policy of the Church of Scientology to destroy or
20 conceal documents discoverable and unfavorable to the Church of
21 Scientology in ongoing litigation, including Armstrong. Ms.
22 Aznaran further states that Scientology members are punished for
23 failure to comply with such policy, even if failure to comply was
24 inadvertent. For this reason it is highly unlikely that
25 Defendant Corydon in the present action would be able to obtain
26 necessary and essential documents under normal discovery
27 procedures. Therefore, not only would denial of this motion
28 result in unnecessary expense and repeated discovery, but would

1 likely result in denial of effective discovery by the defendant
2 herein as well. Further, to prove the validity of Aznaran's
3 declaration, we must review the discovery order in Armstrong

4 V. RELIEF FROM THE PROTECTIVE ORDER SHOULD BE
5 GRANTED DUE TO STRONG POLICY REASONS CONCERNING
6 PUBLIC DISCLOSURE AND PRIVATE DISCLOSURE FOR LITIGATION.

7 11. As recent as May 27, 1988, the Court of Appeals, First
8 District, was confronted with the policy concerns surrounding the
9 sealing of court documents, and found such orders to be
10 disfavored. In CHAMPION v. SUPERIOR COURT, 247 Cal. Rptr. 624,
11 630 (1988) the court stated:

12 "Applying these principals in the Appellate Court
13 setting, we conclude that a party seeking to lodge
14 or file a document under seal there is a heavy
15 burden of showing the Appellate Court that the
16 interest of the party and confidentiality
17 outweighs the public policy in favor of open court
18 records."

19
20 "The law favors maximum public access to judicial
21 proceedings and court records. Judicial records
22 are historically and presumptuously open to the
23 public and there is an important right of access
24 which should not be closed except for compelling
25 countervailing reasons. [omitted]"

26 12. In the case at bar, Defendant Corydon is moving only
27 for private disclosure of the documents in question. Considering
28 the strong public policy that court documents should be disclosed

1 to the public, it follows that the burden of showing the
2 necessity of continuing to seal documents requested for private
3 disclosure must be considerably greater. The sealing of court
4 documents should only serve to protect the privacy of the
5 individuals involved in the litigation, and should not act as a
6 shield to avoid justice, much less as a sword to be used for the
7 perpetration of injustice. If plaintiffs are so successful in
8 denying defendant access to the documents this motion is intended
9 to release, they will in effect be using the protective order to
10 deny defendant Corydon direct evidence in support of his defense
11 of multiple Scientology actions.

12 VI. CONCLUSION

13 13. The opinion of Judge Breckenridge in the Armstrong
14 case, and the documents admitted into evidence therein, are
15 essential to Defendant Corydon's cases, and will likely act as
16 collateral estoppel plus it will be relevant to issues of
17 document destruction. The consideration of the strong public
18 policy of court documents open to the public, the limited
19 dissemination concerned in the present motion, as well as the
20 high probability that if access to the protected documents is
21 denied such information will be unattainable by Defendant Corydon
22 due to Scientology policy of discovery abuse, Defendant Corydon
23 respectfully requests this Court to grant access to the sealed
24 records in THE CHURCH OF SCIENTOLOGY OF CALIFORNIA v. GERALD
25 ARMSTRONG and any related actions.

26
27 Dated: _____

28 Paul Morantz,
A PROFESSIONAL CORPORATION
Attorney for Defendant Corydon

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2 Professional Corporation
3 P.O. Box 511
4 Pacific Palisades, California 90272
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6 Attorney for Bent Corydon

7
8 IN THE SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 COUNTY OF LOS ANGELES

10 CHURCH OF SCIENTOLOGY OF
11 CALIFORNIA,

12
13 Plaintiff,

14 vs.

15 GERALD ARMSTRONG

16
17 Defendant.

18 MARY SUE HUBBARD,

19
20 Intervenor

) CASE NO. C420153
)
)
)

) DECLARATION OF PAUL MORANTZ
) IN SUPPORT OF MOTION OF
) BENT CORYDON TO UNSEAL FILE

)
)
) DATE: NOVEMBER 9, 1988
) TIME: 9:00 a.m.
) DEPT: 56
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1 purposes. We attempted to obtain a certified copy but the clerk
2 has advised us that there is a sealing order on the file.

3 4. It is germane to each of the above described cases to
4 be able to show that necessary relevant information and records
5 in possession of the Church of Scientology and its Presidents
6 were knowingly destroyed in order to prevent production in
7 similar litigation.

8 5. Attached hereto is the declaration of former
9 Scientology official, Vicki Aznaran, indicating that Scientology
10 intentionally destroyed documents sought in this herein case, and
11 others. To prove the validity of her testimony, we wish to
12 inspect the file and learn what orders for production of
13 documents had in fact been made by Judge Breckenridge.

14 6. Scientologist Heber Jentzsch claims in his defamation
15 action that Defendant Corydon wrongfully called him a liar.

16 7. One of the basis for Mr. Corydon's opinions concerning
17 Mr. Jentzsch is that following Judge Breckenridge's decision in
18 the herein case, when questioned concerning the same on a BBC
19 Broadcast, Mr. Jentzsch suggested that the Judge Breckenridge
20 decision was "Nazi" influenced. A true and correct transcript of
21 Mr. Jentzsch's quote is attached as Exh. B. On the same BBC
22 program, Mr. Jentzsch also stated that it can be verified in
23 every court of law in the world that Scientology does not use
24 private information taken from its followers confidential folders
25 and disseminate them as blackmail. As can be seen from Exh. A,
26 Judge Breckenridge made a specific finding that Scientology does.
27 Mr. Jentzsch's false statement that every court of law has held
28 that they do not is attached as Exh. C.

8. Attached as Exh. D are the Jentzsch and Carmichael complaints.

I declare under penalty of perjury that the above is true and correct to the best of my belief.

Executed on 10-11, 1988 at Los Angeles,
California.

PAUL MORANTZ

1 CUMMINS & WHITE
2 BARRY VAN SICKLE
3 SEAN T. OSBORN
4 S. FRANK HARRELL
5 1600 Wilshire Boulevard
6 Suite 300
7 Los Angeles, California 90017-1695
8 (213) 413-3600

9 Attorneys for Plaintiffs
10 VICKI J. AZNARAN and RICHARD N. AZNARAN

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 VICKI J. AZNARAN and RICHARD N.
14 AZNARAN,

15 Plaintiffs,

16 vs.

17 CHURCH OF SCIENTOLOGY OF
18 CALIFORNIA, INC., CHURCH OF
19 SPIRITUAL TECHNOLOGY, INC.,
20 SCIENTOLOGY MISSIONS INTERNATIONAL
21 INC., RELIGIOUS TECHNOLOGY CENTI
22 INC., AUTHOR SERVICES, INC., CH
23 OF SCIENTOLOGY INTERNATIONAL, II
24 CHURCH OF SCIENTOLOGY OF LOS
25 ANGELES, INC., MISSION OFFICE
26 WORLDWIDE, AUTHOR FAMILY TRUST,
27 THE ESTATE OF L. RON HUBBARD,
28 DAVID MISCAVIAGE, and NORMAN
STARKEY,

Defendants.

Case No. : CV-88-1786-
JMI (Ex)

DECLARATION OF
VICKI J. AZNARAN

8-351836
AUG 24 1988

Cummins & White

DECLARATION OF VICKI J. AZNARAN

I, Vicki J. Aznaran, make the following declarations on personal knowledge except where the context indicates knowledge based upon information and belief.

1. My husband Richard Aznaran and I are plaintiffs in the instant action wherein defendants (hereinafter referred to collectively as "Scientology") have moved to strike our entire complaint and to prevent our attorneys from representing us.

2. As set forth in more detail below, my husband and I were involved with Scientology for approximately 15 years. For much of that time we were members of an organization known as the Sea Organization. This organization is an elite organization within Scientology. The Sea Organization has considerable influence and control over Scientology organizations. Generally, Sea Organization members hold the management posts within Scientology.

3. In 1978, after approximately four years as staff members, my husband and I joined the Sea Organization. From 1978 to early 1987, my husband and I worked most of our waking hours, with very few days off, at our various assignments within Scientology. I eventually became President of Religious Technology Center and, supposedly, the top "ecclesiastical" authority within Scientology. Richard was a high-level security officer. During this period my husband and I became intimately familiar with the structure and activities of various Scientology organizations. Among other things, I was briefed on and sometimes a participant in meetings involving litigation tactics and various means used to attack and fight "enemies" of Scientology. In

1 numerous instances I was in the chain of command or approval for
2 such activities. The legal strategy of Scientology and the
3 existence of numerous potential legal problems, some of which are
4 set forth below, were known to me when I was a staff member in
5 Scientology. Contrary to what I understand to be claimed by
6 defendants herein, Mr. Yanny did not reveal to me the legal
7 strategies or secrets of Scientology. Nor did Mr. Yanny invent or
8 open my eyes to the wrongs that I had suffered at the hands of
9 Scientology.

10 4. I have become an "enemy" of Scientology. This has
11 certain consequences that will influence what Scientology will do
12 in this litigation. For example, it is important to understand
13 that their value system allows dishonesty if done in the name of
14 Scientology.

15 5. Enemies of Scientology are deemed to be "suppressive
16 persons" ("SPs"). One becomes a "suppressive person" by doing a
17 suppressive act, such as suing Scientology as a litigant or
18 lawyer. In the jargon of Scientology, when one is "declared" this
19 means that one has been declared a "suppressive person" and,
20 therefore, may be harassed, hurt, damaged or destroyed without
21 regard to truth, honesty or legal rights. It is considered
22 acceptable within Scientology to lie, cheat, steal and commit
23 illegal acts in the name of dealing with a "suppressive person".

24 6. This practice or policy is sometimes referred to as the
25 policy of "fair game". In the jargon of Scientology, a person who
26 is "declared" is understood to be a suppressive person. This
27 means that the person is "fair game". The fair game policy was
28 issued in the 1960s. It was never cancelled. A document was

1 issued for public relations reasons that purportedly cancelled
2 "fair game"; however, that document stated that it did not change
3 the manner of handling persons declared "SP." In reality, the
4 purported cancellation of fair game is at most a matter of
5 semantics. Enemies of Scientology are treated as "fair game."

6 7. It is my understanding, and I have so testified in my
7 deposition, that when my husband and I escaped from Scientology we
8 were not immediately declared suppressive persons or subjected to
9 the fair game policy. Among other things, we were compelled to do
10 certain things and sign various documents to escape and avoid
11 being subjected to fair game treatment. As we have now sued
12 Scientology, we are "fair game".

13 8. From 1984 through early 1987, I was President of
14 Religious Technology Center (hereinafter "RTC"). As President of
15 RTC and a Sea Organization member, I attended many meetings
16 concerning the numerous legal actions involving Scientology
17 organizations. During this time period, I had personal access to
18 all legal documents having to do with RTC. I received a report
19 every day on my computer that included a synopsis of each ongoing
20 legal case involving Scientology. I received, or so I was told,
21 copies of every major motion filed in cases involving Scientology.
22 I was on the "approval lines" for legal documents dealing with
23 RTC. During this time period, I had the option of attending legal
24 meetings although some were mandatory. I attended many litigation
25 meetings and became generally aware of Scientology's dirty tricks
26 and legal maneuvers. On specifics, I frequently deferred to
27 in-house and outside counsel, however, at least in theory, I was
28 the head of RTC and had access to any business or litigation

1 "secrets" of Scientology.

2 9. As President of RTC, I was one of those responsible for
3 retaining the services of Joseph Yanny as counsel for Scientology
4 organizations. I supervised and worked with Mr. Yanny who served
5 as coordinating attorney for RTC in 1985. I am not aware of any
6 legal or corporate information concerning RTC that was available
7 to Mr. Yanny but not available to me.

8 10. I am informed and believe that various Scientology
9 organizations are contending that Mr. Yanny has somehow improperly
10 educated me on the legal maneuvers, tactics and affairs of
11 Scientology. Although such claims are consistent with litigation
12 tactics of Scientology, which are not constrained by considera-
13 tions such as truth and reality, the proposition that I need
14 Mr. Yanny to educate me on the internal affairs of Scientology is
15 simply wrong. I was one of the highest ranking members of
16 Scientology and was involved in upper management. Mr. Yanny was a
17 lawyer hired by management, of which I was a part, to work for it.
18 Further, it was the practice during the time period in question to
19 screen the information given to outside counsel such as Mr Yanny.

20 11. It is the stated policy and practice of Scientology to
21 use the legal system to abuse and harass its enemies. This crude,
22 fundamental directive of Scientology is no secret. In any event,
23 this information did not come to me from Mr. Yanny. The policy is
24 to do anything and everything possible to harass the opposing
25 litigant without regard to whether any particular motion or
26 maneuver is appropriate or warranted by the facts or applicable
27 law. That policy was followed in every legal case I was involved
28 with or learned about while a member of the Sea Organization. The

1 management of Scientology consistently expressed and demonstrated
2 a complete disdain for the court system viewing it as nothing more
3 than a method to harass enemies. Some examples of this are set
4 forth below.

5 12. During litigation between Gerald Armstrong and
6 Scientology, which was before Judge Breckenridge of Superior Court
7 for Los Angeles County, the court ordered the production of
8 Armstrong's pre-clear ("PC") folders. These are files maintained
9 by Scientology on those who submit to interrogation sessions in a
10 process called auditing. During the course of that litigation I
11 was ordered to go through Armstrong's folders and destroy or
12 conceal anything that might be damaging to Scientology or helpful
13 to Armstrong's case. As ordered, I went through the files and
14 destroyed contents that might support Armstrong's claims against
15 Scientology. This practice is known within Scientology as
16 "culling PC folders" and is a common litigation tactic employed by
17 Scientology.

18 13. During other litigation in Los Angeles known to me as
19 the Wollersheim case, I was told that the judge had ordered the
20 production of Wollersheim's folders. As ordered, I "culled" these
21 files. In other words, I removed contents that might have been
22 damaging to Scientology or support Wollersheim's claims against
23 Scientology. For example, I removed evidence of events involving
24 his family, the anguish this caused him, evidence of disconnection
25 from family and evidence of fair game.

26 14. I was involved in numerous meetings concerning what is
27 known to me as the Christofferson case in Portland, Oregon. This
28 case was tried twice. In the first case, a Scientology witness by

1 the name of Martin Samuels was coached and drilled for hours on
2 how to lie convincingly or avoid telling the truth. Before or
3 during the second trial he admitted to this course of conduct. In
4 this litigation, a Scientologist by the name of Joan Shriver
5 produced responsive documents that may have been incriminating.
6 This was a serious breach of policy for which she was punished.
7 These documents were ordered produced on such short notice that
8 apparently files were not thoroughly "culled". In another case,
9 Mr. Yanny was severely criticized and almost fired for failing to
10 properly coach and feed the desired answers to Heber Jentzsch.
11 Mr. Jentzsch was, for public relations reasons, the purported head
12 of the Church of Scientology International. During his deposi-
13 tion, Mr. Jentzsch was unable to answer fundamental questions
14 concerning the management of Church of Scientology International.
15 This may be what certain defendants are referring to when they say
16 that they were dissatisfied with Mr. Yanny's services and I
17 protected him. There were those, including McShane, who were
18 outraged by the embarrassing testimony of Mr. Jentzsch. This was
19 blamed on Mr. Yanny. I did not wish to discontinue using
20 Mr. Yanny at RTC for this perceived problem.

21 15. In November, 1985, I was present at a meeting whereat
22 Earle Cooley, a Scientologist lawyer, Lyman Spurlock and Norman
23 Starkey, all high ranking Scientologists, announced that they were
24 going to contact Judge Mariana Pfaelzer. Earlier that day Judge
25 Pfaelzer had denied a Scientology motion for a temporary
26 restraining order. After losing on the application there was a
27 meeting to determine what to do about the situation. At the
28 meeting Mr. Cooley had a file that purportedly contained

1 background and personal information on Judge Pfaelzer. During the
2 meeting Mr. Cooley and the others announced that they were going
3 to attempt to meet with Judge Pfaelzer that evening, at her house
4 if necessary, concerning the litigation in which the temporary
5 restraining order had been sought. Thereafter, Mr. Cooley and two
6 others left with their file on Judge Pfaelzer. They returned
7 several hours later at which time I was told that their attempts
8 to contact Judge Pfaelzer had been unsuccessful.

9 16. In late 1979 and early 1980, there was a massive docu-
10 ment destruction program undertaken to destroy any evidence
11 showing that L. Ron Hubbard ("LRH") controlled Scientology. I
12 participated in this activity in Clearwater, Florida and am
13 informed that there was also intensive document destruction at
14 facilities in Gilman Hot Springs, California. From at least that
15 point onward there was a continuous effort to hide or destroy any
16 evidence of Hubbard's control. For example, during an IRS in-
17 vestigation in 1984 and 1985, while in bed with pneumonia, I was
18 ordered out of bed by Norman Starkey who told me that they had
19 received a tip from a Los Angeles Police officer advising them of
20 a pending IRS raid in Los Angeles. Mr. Starkey ordered me to go
21 to a computer facility and insure that all information on the
22 computers in Los Angeles that might show Hubbard's involvement and
23 control of Scientology's money was destroyed except for one copy
24 of each document. These copies were to be saved on computer discs
25 which were to be hidden in secure storage places. At the time I
26 was also instructed to destroy anything that would show the
27 control of Mr. Starkey or Mr. Miscavige over Scientology.

28 17. I have been informed and believe that a an improper

1 affidavit was filed in a case brought by L. Ron Hubbard, Jr. in
2 Riverside, California. The circumstances were as follows: The
3 document purported to be an affidavit of L. Ron Hubbard. The
4 signature of Hubbard was purportedly notarized by David Miscavige.
5 It is my understanding that this affidavit caused the case to be
6 dismissed. Subsequently, I was told by Pat Broeker, who had been
7 living with Hubbard at the time, and by Miscavige, that Miscavige
8 had not seen Hubbard between 1980 and Hubbard's death in 1986.
9 Accordingly, the affidavit was apparently signed, notarized and
10 dated during a time period when Hubbard was in seclusion and not
11 seen by the person who purportedly notarized the signature of
12 Hubbard.

13 18. In or about 1981, while working in a Scientology organi-
14 zation known as the Guardian's Office, I had access to and
15 observed various written and oral communications pertaining to
16 illegitimate activities participated in by the Guardian's Office.
17 The Guardian's Office attempted to infiltrate both governmental
18 and private agencies including the IRS, the Department of Justice,
19 the American Medical Association and the National Institute of
20 Mental Health. The purpose of this was to steal documents pur-
21 suant to Hubbard's "Snow White" program. The goal of this program
22 was to eliminate any negative reports about Hubbard and
23 Scientology that may have been held by these various agencies.

24 19. While involved in Scientology I became aware of various
25 operations directed against an author who had written a negative
26 book about Scientology. The author, Paulette Cooper, was sub-
27 jected to various forms of harassment. One operation included an
28 attempt to frame her. A false bomb threat was written. A

1 Scientology agent lifted a fingerprint from Cooper's apartment.
2 These fingerprints were then transferred to the bomb threat
3 letter. Ms. Cooper was subjected to an investigation and was not
4 cleared until an FBI raid resulted in the seizure of Scientology
5 documents that exposed the operation as a frame-up. There was at
6 least one other operation directed against Ms. Cooper. The
7 substance of it was to plant a boyfriend to reinforce and play
8 upon her suicidal tendencies in the hopes that she would commit
9 suicide.

10 20. In 1976 and 1977, the then Mayor of Clearwater, Florida,
11 Gabe Cazares was involved with litigation against Scientology.
12 Arrangements were made to have an attorney by the name of Merril
13 Vanniere, a Scientologist, represent Mr. Cazares and sabotage his
14 case. This plot was also exposed by documents obtained in an FBI
15 raid of a Scientology facility. Also, in response to Mr. Cazares'
16 litigation against Scientology, an attempt was made to implicate
17 Mr. Cazares in a staged hit-and-run accident.

18 21. During the time period of my involvement with
19 Scientology, I also learned of various attempts to influence
20 judges or force their removal from cases. For example, a private
21 investigator named Dick Bast obtained a statement from a prosti-
22 tute concerning involvement with a certain judge in Washington,
23 D.C. who was sitting on a Scientology case. This was then pub-
24 licized. The judge did not continue on the case. The same
25 investigator, Dick Bast was also hired for the purpose of at-
26 tempting to force the removal of a judge in Tampa, Florida. This
27 involved what I know as the Burden case, which was civil litiga-
28 tion brought by Michael Flynn. Dick Bast secured a yacht and

1 attempted to get the judge on board for the purpose of filming him
2 under compromising circumstances. The judge declined to go
3 yachting and the operation was unsuccessful. Approximately
4 \$250,000.00 was spent on the operation.

5 22. I have been informed by Mark (Marty) Rathbun, a high
6 ranking Scientologist, that his private investigator, Gene Ingram,
7 "fed" a confession to Ala Tamimi when visiting him in an Italian
8 prison. This false confession was, in substance, that Tamimi had
9 been involved in a bad check scam involving an account of L. Ron
10 Hubbard. This false confession implicated attorney Michael Flynn
11 in the check scam. Michael Flynn was at the time considered a
12 major enemy of Scientology because he represented numerous clients
13 with claims against Scientology. This purported confession was
14 used to slander and attack Michael Flynn. Michael Flynn has also
15 been sued by Scientology as part of its "strategy" for handling
16 enemies.

17 23. During an IRS criminal investigation in the 1984 to 1985
18 time period, the IRS ordered production of various communications
19 between Hubbard and Author Services, Inc. (ASI). The ASI staff
20 worked literally day and night for several days reviewing docu-
21 ments so that unfavorable documents could be destroyed or other-
22 wise concealed from the IRS. Lyman Spurlock and Marion M. Dendui,
23 Scientologists involved in this operation, informed me of this
24 operation. Also during this IRS investigation, my husband, Rick
25 Aznaran, was ordered to remove and conceal any incriminating
26 documents from certain locations. He was also directed to make
27 the computer network "raid proof". This involved creating a
28 system where incriminating documents could be deleted from

1 computer storage rapidly and before the IRS could obtain control
2 over the computers.

3 24. In 1985, I attended a conference on "squirrels" attended
4 by Miscavige, Starkey, Spurlock, and McShane, members of top
5 management, and others. In Scientology jargon, "squirrels" are
6 people who use or practice some procedures also used by
7 Scientology but who do not submit to the total control of the
8 Scientology organization and, perhaps most importantly, who do not
9 pay a percentage of their auditing or counseling fees to
10 Scientology. At this meeting, David Miscavige ordered that public
11 Scientologists be organized and motivated to physically attack
12 squirrels and disrupt their operations. This was stated to be
13 pursuant to the standard guidelines of Scientology. Pursuant to
14 such directives, efforts were undertaken to intimidate and disrupt
15 these persons and their organizations.

16 25. In 1981, operation "Juggernaut" was commenced. The
17 purpose of this was to destroy Michael Flynn who, as stated above,
18 was representing various plaintiffs with litigation against
19 Scientology. This operation contemplated the use of infiltration,
20 propaganda and attempts to persuade clients to turn against him.

21 26. The Guardians' Office got into so much trouble, and
22 worse yet got caught, that it was decided in the early 1980's that
23 the Guardians' Office should be disbanded. This was purely a
24 public relations gimmick. In short, it was decided that the
25 Guardians' Office and Mary Sue Hubbard, its then leader, were to
26 take the rap for all criticism and improper conduct. This scheme
27 was laid out in various written communications I observed in 1981
28 and 1982. (Of course, I was not allowed to keep or escape from

1 Scientology with any such incriminating documents.)

2 27. Since the early 1970's, Scientology has operated a
3 forced labor camp known as the Rehabilitation Project Force
4 ("RPF"). Staff members are incarcerated in the RPF for various
5 real or imagined offense. People confined at this camp are forced
6 to perform hard physical labor every day. They eat rice and
7 beans, or left-overs, and wear rags. They are deprived of suf-
8 ficient sleep. In 1987, I was confined in such a camp at Happy
9 Valley for approximately six weeks. I worked all day and was
10 confined in a room at night. To the best of my knowledge I was
11 guarded 24 hours a day. They would not even let me shower alone.
12 I had to obtain permission to use a bathroom. I was ill and not
13 allowed to obtain medical treatment. I was not allowed to com-
14 municate with my husband nor was I allowed to obtain adequate
15 sleep. I was told that I had gone insane and that my husband did
16 not want to communicate with me. I was physically and psycho-
17 logically abused both at Happy Valley and for numerous days
18 thereafter in a process called "security checking". Much over-
19 simplified, I was grilled on a primitive lie detector called an
20 E-Meter and made to understand that I would not be released, have
21 my property returned, or escape fair game policy unless I even-
22 tually gave all of the "right" answers. Examples of "right"
23 answers were responses that I would not talk to a lawyer or
24 consider suing Scientology. I had to give such answers before
25 being released.

26 28. Recovering from the years of brainwashing, thought
27 control and propaganda to which Scientology subjected me is a
28 gradual process that I do not fully understand. I am not a

1 psychologist or psychiatrist and do not fully understand the
2 ramifications of what I have been through although I can observe
3 and experience many symptoms. I have many nightmares and a fear
4 of Scientology.

5 29. The suit brought by Richard Aznaran and myself is based
6 upon real events that happened to real people, namely us. Just as
7 my husband and I do not need Mr. Yanny to educate us on any
8 secrets of Scientology, it is simply untrue that our claims were
9 somehow invented or manufactured by Mr. Yanny. The whimsical
10 notion that Mr. Yanny invented this litigation through my husband
11 and me is simply false.

12 30. My husband and I consider Mr. Yanny to be a friend.
13 Further, it might be noted that Mr. Yanny was to serve as my
14 personal counsel in a class action against Scientology and
15 numerous individuals including myself. Recent events have changed
16 this, however, there was a period of time when Mr. Yanny was
17 purportedly designated as my personal counsel with the approval of
18 Scientology.

19 31. My husband and I feel quite strongly that we want Barry
20 Van Sickle and the firm of Cummins & White to represent us in this
21 case. Our reasons are both subjective and objective. We do not
22 wish to list our subjective reasons, although we will do so if the
23 Court requests it. Objectively, it might be noted that we had
24 considerable difficulty finding counsel willing and in a position
25 to undertake this extremely volatile, time consuming and expensive
26 litigation. We are unable to pay hourly rates to pursue our
27 claims and need a firm willing to work with us on a contingency
28 fee basis. I anticipate great difficulty, delay and prejudice if

1 forced to find other counsel.

2 32. Based upon my experience within Scientology and as a
3 litigant against it, I understand that this is not routine liti-
4 gation. If I am forced to find other counsel, prospective counsel
5 will be presented with the following situation:

6 (a) A complex case that must be handled on a contin-
7 gency fee and cost-advanced basis;

8 (b) A case that requires a litigation team and sub-
9 stantial financial resources;

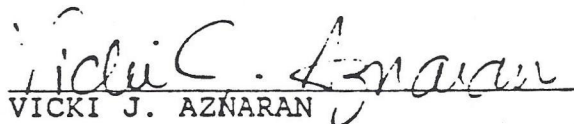
10 (c) A case involving an opponent who has a practice and
11 history of suing opposing lawyers as a tactic in addition to
12 subjecting opposing lawyers to surveillance, depositions, infil-
13 tration, bad publicity and the full ramifications of the fair game
14 policy;

15 (d) A case where the opponent is not constrained by a
16 need to be cost effective, truthful, honest or reasonable; and

17 (e) A case that requires extraordinary security
18 precautions.

19 I declare under penalty of perjury under the laws of the
20 State of California that the foregoing is true and correct.

21 Executed this 9 day of August, 1988, in Dallas, Texas.

22
23
24 
25 VICKI J. AZNARAN
26
27
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Plaintiff,

vs.

GERALD ARMSTRONG,

Defendant.

MARY SUE HUBBARD,

Intervenor.

No. C 420153

MEMORANDUM OF
INTENDED DECISION

In this matter heretofore taken under submission, the Court announces its intended decision as follows:

As to the tort causes of action, plaintiff, and plaintiff in intervention are to take nothing, and defendant is entitled to Judgment and costs.

As to the equitable actions, the court finds that neither plaintiff has clean hands, and that at least as of this time, are not entitled to the immediate return of any documents or objects presently retained by the court clerk. All exhibits

Ex A

1 received in evidence or marked for identification, unless
2 specifically ordered sealed¹, are matters of public record and
3 shall be available for public inspection or use to the same
4 extent that any such exhibit would be available in any other
5 lawsuit. In other words they are to be treated henceforth no.
6 differently than similar exhibits in other cases in Superior
7 Court. Furthermore, the "inventory list and description," of
8 materials turned over by Armstrong's attorneys to the court,
9 shall not be considered or deemed to be confidential, private,
10 or under seal.

11 All other documents or objects presently in the possession
12 of the clerk (not marked herein as court exhibits) shall be
13 retained by the clerk, subject to the same orders as are
14 presently in effect as to sealing and inspection, until such
15 time as trial court proceedings are concluded as to the severed
16 cross complaint. For the purposes of this Judgment, conclusion
17 will occur when any motion for a new trial has been denied, or
18 the time within such a motion must be brought has expired
19 without such a motion being made. At that time, all documents
20 neither received in evidence, nor marked for identification
21 only, shall be released by the clerk to plaintiff's
22 representatives. Notwithstanding this order, the parties may
23

256 1. Exhibits in evidence No. 1-40; JJJ; KKK; LLL; MMM;
26 NNN; OOO; PPP; QQQ; RRR; and 500-0100.

27 Exhibits for identification only No. JJJJ; Series
28 500-0000, EEEE, FFFF, GGGG, HHHH, IIII, NNNN-1, OOOO, 7777,
CCCCC, GGGGG, IIIII, KKKKK, LLLLL, CCCCC, PPPPP, QQQQ, RRRRR,
OOOOOO, UUUUUU.

1 "Section 418: An agent is privileged to protect
2 interests of his own which are superior to those of the
3 principal, even though he does so at the expense of the
4 principal's interest or in disobedience to his orders."

5 Restatement of torts, Second, section 271:

6 "One is privileged to commit an act which would
7 otherwise be a trespass to or a conversion of a chattel in
8 the possession of another, for the purpose of defending
9 himself or a third person against the other, under the
10 same conditions which would afford a privilege to inflict
11 harmful or offensive contact upon the other for the same
12 purpose."

13 The Restatement of Torts, Second, section 652a, as well as
14 case law, make it clear that not all invasions of privacy are
15 unlawful or tortious. It is only when the invasion is
16 unreasonable that it becomes actionable. Hence, the trier of
17 fact must engage in a balancing test, weighing the nature and
18 extent of the invasion, as against the purported justification
19 therefore to determine whether in a given case, the particular
20 invasion or intrusion was unreasonable.

In addition the defendant has asserted as a defense the
principal involved in the case of Willig v. Gold, 75
Cal.App.2d, 609, 814, which holds that an agent has a right or
privilege to disclose his principal's dishonest acts to the
party prejudicially affected by them.

Plaintiff Church has asserted and obviously has certain
rights arising out of the First Amendment. Thus, the court
cannot, and has not, inquired into or attempted to evaluate the

merits, accuracy, or truthfulness of Scientology or any of its precepts as a religion. First Amendment rights, however, cannot be utilized by the Church or its members, as a sword to preclude the defendant, whom the Church is suing, from defending himself. Therefore, the actual practices of the Church or its members, as it relates to the reasonableness of the defendant's conduct and his state of mind are relevant, admissible, and have been considered by the court.

As indicated by its factual findings, the court finds the testimony of Gerald and Jocelyn Armstrong, Laurel Sullivan, Nancy Dincalcis, Edward Walters, Omar Garrison, Kima Douglas, and Howard Schomer to be credible, extremely persuasive, and the defense of privilege or justification established and corroborated by this evidence. Obviously, there are some discrepancies or variations in recollections, but these are the normal problems which arise from lapse of time, or from different people viewing matters or events from different perspectives. In all critical and important matters, their testimony was precise, accurate, and rang true. The picture painted by these former dedicated Scientologists, all of whom were intimately involved with LRH, or Mary Jane Hubbard, or of the Scientology Organization, is on the one hand pathetic, and on the other, outrageous. Each of these persons literally gave years of his or her respective life in support of a man, LRH, and his ideas. Each has manifested a waste and loss or frustration which is incapable of description. Each has broken with the movement for a variety of reasons, but at the same time, each is, still bound by the knowledge that the Church has

1 in its possession his or her most inner thoughts and
2 confessions, all recorded in "pre-clear (P.C.) folders" or
3 other security files of the organization, and that the Church
4 or its minions is fully capable of intimidation or other
5 physical or psychological abuse if it suits their ends. The
6 record is replete with evidence of such abuse.

7 In 1970 a police agency of the French Government conducted
8 an investigation into Scientology and concluded, "this sect,
9 under the pretext of 'freeing humans' is nothing in reality but
10 a vast enterprise to extract the maximum amount of money from
11 its adepts by (use of) pseudo-scientific theories, by (use of)
12 'auditions' and 'stage settings' (lit. to create a theatrical
13 scene') pushed to extremes (a machine to detect lies, its own
14 particular phraseology . !), to estrange adepts from their
15 families and to exercise a kind of blackmail against persons
16 who do not wish to continue with this sect."² From the
17 evidence presented to this court in 1984, at the very least,
18 similar conclusions can be drawn. In addition to violating and
19 abusing its own members civil rights, the organization over the
20 years with its "Fair Game" doctrine has harassed and abused
21 those persons not in the Church whom it perceives as enemies.
22 The organization clearly is schizophrenic and paranoid, and
23 this bizarre combination seems to be a reflection of its
24 founder LRM. The evidence portrays a man who has been
25 virtually a pathological liar when it comes to his history,
26
27

1 background, and achievements. The writings and documents in
2 evidence additionally reflect his egoism, greed, avarice, lust
3 for power, and vindictiveness and aggressiveness against
4 persons perceived by him to be disloyal or hostile. At the
5 same time it appears that he is charismatic and highly capable
6 of motivating, organizing, controlling, manipulating, and
7 inspiring his adherents. He has been referred to during the
8 trial as a "genius," a "revered person," a man who was "viewed
9 by his followers in awe." Obviously, he is and has been a very
10 complex person, and that complexity is further reflected in his
11 alter ego, the Church of Scientology. Notwithstanding
12 protestations to the contrary, this court is satisfied that LRH
13 runs the Church in all ways through the Sea Organization, his
14 role of Commodore, and the Commodore's Messengers.³ He has, of
15 course, chosen to go into "seclusion," but he maintains contact
16 and control through the top messengers. Seclusion has its
17 light and dark side too. It adds to his mystique, and yet
18 shields him from accountability and subpoena or service of
19 summons.

20 LRH's wife, Mary Sue Hubbard is also a plaintiff herein.
21 On the one hand she certainly appeared to be a pathetic
22 individual. She was forced from her post as Controller,
23 convicted and imprisoned as a felon, and deserted by her
24 husband. On the other hand her credibility leaves much to be
25 desired. She struck the familiar pose of not seeing, hearing,
26

27 3. See Exhibit K: Flag Order 3729 - 15 September 1976
"Commodore's Messengers."

1 or knowing any evil. Yet she was the head of the Guardian
2 Office for years and among other things, authored the infamous
3 order "GO 121669-4" which directed culling of supposedly
4 confidential P.C. files/folders for purposes of internal
5 security. In her testimony she expressed the feeling that
6 defendant by delivering the documents, writings, letters to his
7 attorneys, subjected her to mental rape. The evidence is clear
8 and the court finds that defendant and Omar Garrison had
9 permission to utilize these documents for the purpose of
0 Garrison's proposed biography. The only other persons who were
1 shown any of the documents were defendant's attorneys, the
2 Douglasses, the Dincalcis, and apparently some documents
3 specifically affecting LRM's son "Nibs," were shown to "Nibs."
4 The Douglasses and Dincalcises were disaffected Scientologists
5 who had a concern for their own safety and mental security, and
6 were much in the same situation as defendant. They had not
7 been declared as suppressive, but Scientology had their P.C.
8 folders, as well as other confessions, and they were extremely
9 apprehensive. They did not see very many of the documents, and
0 it is not entirely clear which they saw. At any rate Mary Sue
1 Hubbard did not appear to be so much distressed by this fact,
2 as by the fact that Armstrong had given the documents to
3 Michael Flynn, whom the Church considered its foremost

..

4. Exhibit A.A.A.

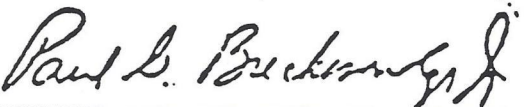
lawyer-enemy. 5 However, just as the plaintiffs have First Amendment rights, the defendant has a Constitutional right to an attorney of his own choosing. In legal contemplation the fact that defendant selected Mr. Flynn rather than some other lawyer cannot by itself be tortious. In determining whether the defendant unreasonably invaded Mrs. Hubbard's privacy, the court is satisfied the invasion was slight, and the reasons and justification for defendant's conduct manifest. Defendant was told by Scientology to get an attorney. He was declared an enemy by the Church. He believed, reasonably, that he was subject to "fair game." The only way he could defend himself, integrity, and his wife was to take that which was available to him and place it in a safe harbor, to wit, his lawyer's custody. He may have engaged in overkill, in the sense that he took voluminous materials, some of which appear ly marginally relevant to his defense. But he was not a lawyer and cannot be held to that precise standard of judgment. Further, at the time that he was accumulating the material, he was terrified and undergoing severe emotional turmoil. The court is satisfied that he did not unreasonably intrude upon Hubbard's privacy under the circumstances by in effect making his knowledge that of his attorneys. It is, of rather ironic that the person who authorized G.O. order should complain about an invasion of privacy. The

"No, I think my emotional distress and upset is the fact someone took papers and materials without my permission and then gave them to your Mr. Flynn." Hubbard's Transcript, p. 1006.

1 practice of culling supposedly confidential "P.C. folders or
2 files" to obtain information for purposes of intimidation
3 and/or harassment is repugnant and outrageous. The Guardian's
4 Office, which plaintiff headed, was no respecter of anyone's
5 civil rights, particularly that of privacy. Plaintiff Mary Sue
6 Hubbard's cause of action for conversion must fail for the same
7 reason as plaintiff Church. The documents were all together in
8 Omar Garrison's possession. There was no rational way the
9 defendant could make any distinction.

10 Insofar as the return of documents is concerned, matters
11 which are still under seal may have evidentiary value in the
12 trial of the cross complaint or in other third party
13 litigation. By the time that proceedings on the cross
14 complaint are concluded, the court's present feeling is that
15 those documents or objects not used by that time should be
16 returned to plaintiff. However, the court will reserve
17 jurisdiction to reconsider that should circumstances warrant.

18 Dated: June 20, 1984

20 
21 PAUL G. BRECKENRIDGE, JR.
22 Judge of the Superior Court
23
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Appendix

Defendant Armstrong was involved with Scientology from 1969 through 1981, a period spanning 12 years. During that time he was a dedicated and devoted member who revered the founder, L. Ron Hubbard. There was little that Defendant Armstrong would not do for Hubbard or the Organization. He gave up formal education, one-third of his life, money and anything he could give in order to further the goals of Scientology, goals he believed were based upon the truth, honesty, integrity of Hubbard and the Organization.

From 1971 through 1981, Defendant Armstrong was a member of the Sea Organization, a group of highly trained scientologists who were considered the upper echelon of the Scientology organization.⁶ During those years he was placed in various locations, but it was never made clear to him exactly which Scientology corporation he was working for. Defendant Armstrong understood that, ultimately, he was working for L. Ron Hubbard, who controlled all Scientology finances, personnel, and operations while Defendant was in the Sea Organization.

Beginning in 1979 Defendant Armstrong resided at Gilman Hot Springs, California, in Hubbard's "Household Unit." The Household Unit took care of the personal wishes and needs of Hubbard at many levels. Defendant Armstrong acted as the L. Ron Hubbard Renovations In-Charge and was responsible for renovations, decoration, and maintenance of Hubbard's home and office at Gilman Hot Springs.

1 In January of 1980 there was an announcement of a possible
2 raid to be made by the FBI or other law enforcement agencies of
3 the property. Everyone on the property was required by
4 Hubbard's representatives, the Commodore's Messengers, to go
5 through all documents located on the property and "vet" or
6 destroy anything which showed that Hubbard controlled
7 Scientology organizations, retained financial control, or was
8 issuing orders to people at Gilman Hot Springs.

9 A commercial paper shredder was rented and operated day
10 and night for two weeks to destroy hundreds of thousands of
11 pages of documents.

12 During the period of shredding, Brenda Black, the
13 individual responsible for storage of Hubbard's personal
14 belongings at Gilman Hot Springs, came to Defendant Armstrong
15 with a box of documents and asked whether they were to be
16 shredded. Defendant Armstrong reviewed the documents and found
17 that they consisted of a wide variety of documents including
18 Hubbard's personal papers, diaries, and other writings from a
19 time before he started Dianetics in 1950, together with
20 documents belonging to third persons which had apparently been
21 stolen by Hubbard or his agents. Defendant Armstrong took the
22 documents from Ms. Black and placed them in a safe location on
23 the property. He then searched for and located another twenty
24 or more boxes containing similar materials, which were poorly
25 maintained.

26 On January 8, 1980, Defendant Armstrong wrote a petition
27 to Hubbard requesting his permission to perform the research
28 for a biography to be done about his life. The petition states

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be done about his life. The petition states

that Defendant Armstrong had located the subject materials and lists of a number of activities he wished to perform in connection with the biography research.

Hubbard approved the petition, and Defendant Armstrong became the L. Ron Hubbard Personal Relations Officer Researcher (PPRO Res). Defendant claims that this petition and its approval forms the basis for a contract between Defendant and Hubbard. Defendant Armstrong's supervisor was then Laurel Sullivan, L. Ron Hubbard's Personal Public Relations Officer.

During the first part of 1980, Defendant Armstrong moved all of the L. Ron Hubbard Archives materials he had located at Gilman Hot Springs to an office in the Church of Scientology Cedars Complex in Los Angeles. These materials comprised approximately six file cabinets. Defendant Armstrong had located himself in the Cedars Complex, because he was also involved in "Mission Corporate Category Sort-Out," a mission to work out legal strategy. Defendant Armstrong was involved with this mission until June of 1980.

It was also during this early part of 1980 that Hubbard left the location in Gilman Hot Springs, California, and went into hiding. Although Defendant Armstrong was advised by Laurel Sullivan that no one could communicate with Hubbard, Defendant Armstrong knew that the ability for communication existed, because he had forwarded materials to Hubbard at his request in mid-1980.

Because of this purported inability to communicate with Hubbard, Defendant Armstrong's request to purchase biographical materials of Hubbard from people who offered them for sale went

to the Commodore's Messenger Organization, the personal representatives of Hubbard.

In June of 1980 Defendant Armstrong became involved in the selection of a writer for the Hubbard biography. Defendant Armstrong learned that Hubbard had approved of a biography proposal prepared by Omar Garrison, a writer who was not a member of Scientology. Defendant Armstrong had meetings with Mr. Garrison regarding the writing of the biography and what documentation and assistance would be made available to him. As understood by Mr. Garrison, Defendant Armstrong represented Hubbard in these discussions.

Mr. Garrison was advised that the research material he would have at his disposal were Hubbard's personal archives. Mr. Garrison would only undertake a writing of the biography if the materials provided to him were from Hubbard's personal archives, and only if his manuscript was subject to the approval of Hubbard himself.

In October of 1980 Mr. Garrison came to Los Angeles and was toured through the Hubbard archives materials that Defendant Armstrong had assembled up to that time. This was an important "selling point" in obtaining Mr. Garrison's agreement to write the biography. On October 30, 1980, an agreement was entered into between Ralston-Pilot, ncv. F/S/O Omar V. Garrison, and AOSH DK Publications of Copenhagen, Denmark, for the writing of a biography of Hubbard.

Paragraph 10B of the agreement states that:

"Publisher shall use its best efforts to provide Author with an office, an officer assistant and/or

research assistant, office supplies and any needed archival and interview materials in connection with the writing of the Work."

The "research assistant" provided to Mr. Garrison was Defendant Armstrong.

During 1980 Defendant Armstrong exchanged correspondence with Intervenor regarding the biography project. Following his approval by Hubbard as biography researcher, Defendant Armstrong wrote to Intervenor on February 5, 1980, advising her of the scope of the project. In the letter Defendant stated that he had found documents which included Hubbard's diary from his Orient trip, poems, essays from his youth, and several personal letters, as well as other things.

By letter of February 11, 1980, Intervenor responded to Defendant, acknowledging that he would be carrying out the duties of Biography Researcher.

On October 14, 1980, Defendant Armstrong again wrote to Intervenor, updating her on "Archives materials" and proposing certain guidelines for the handling of those materials.

It was Intervenor who, in early 1981, ordered certain biographical materials from "Controller Archives" to be delivered to Defendant Armstrong. These materials consisted of several letters written by Hubbard in the 1920's and 1930's, Hubbard's Boy Scout books and materials, several old Hubbard family photographs, a diary kept by Hubbard in his youth, and several other items.

Defendant Armstrong received these materials upon the order of Intervenor, following his letter of October 15, 1980,

to her in which Defendant stated, at page 7, that there were materials in the "Controller Archives" that would be helpful to him in the biography research.

After these materials were delivered to Defendant Armstrong, Intervenor was removed from her Scientology position of Controller in 1981, presumably because of her conviction for the felony of obstruction of justice in connection with the theft of Scientology documents from various government offices and agencies in Washington, D.C.

During the time Defendant Armstrong worked on the Biography project and acted as Hubbard Archivist, there was never any mention that he was not to be dealing with Hubbard's personal documents or that the delivery of those documents to Mr. Garrison was not authorized.

For the first year or more of the Hubbard biography and archive project, funding came from Hubbard's personal staff unit at Gilman Hot Springs, California. In early 1981, however, Defendant Armstrong's supervisor, Laurel Sullivan, ordered him to request that funding come from what was known as SEA Org Reserves. Approval for this change in funding came from the SEA Org Reserves Chief and Watch Dog Committee, the top Commodores Messenger Organization unit, who were Hubbard's personal representatives.

From November of 1980 through 1981, Defendant Armstrong worked closely with Mr. Garrison, assembling Hubbard's archives into logical categories, copying them and arranging the copies of the Archives materials into bound volumes. Defendant Armstrong made two copies of almost all documents copied for

1 Mr. Garrison - one for Mr. Garrison and the other to remain in
2 Hubbard Archives for reference or recopying. Defendant
3 Armstrong created approximately 400 binders of documents. The
4 vast majority of the documents for Mr. Garrison came from
5 Hubbard's personal Archives, of which Defendant Armstrong was
6 in charge. Materials which came from other Archives, such as
7 the Controller Archives, were provided to Defendant Armstrong
8 by Scientology staff members who had these documents in their
9 care.

10 It was not until late 1981 that Plaintiff was to provide a
11 person to assist on the biography project by providing Mr.
12 Garrison with "Guardian Office" materials, otherwise described
13 as technical materials relating to the operation of
14 Scientology. The individual appointed for this task was Vaughn
15 Young. Controller Archives and Guardian Office Archives had no
16 connection to the Hubbard Archives, which Defendant Armstrong
17 created and maintained as Hubbard's personal materials.

18 In addition to the assemblage of Hubbard's Archives,
19 Defendant Armstrong worked continually on researching and
20 assembling materials concerning Hubbard by interviewing dozens
21 of individuals, including Hubbard's living aunt, uncle, and
22 four cousins. Defendant Armstrong did a geneology study of
23 Hubbard's family and collected, assembled, and read hundreds of
24 thousands of pages of documentation in Hubbard's Archives.

25 During 1980 Defendant Armstrong remained convinced of
26 Hubbard's honesty and integrity and believed that the
27 representations he had made about himself in various
28 publications were truthful. Defendant Armstrong was devoted to

Commentator: Scientology reserves a special distrust for the media. Members may not give interviews without the Church's permission. Despite a long standing invitation, our interview with the Church's chosen spokesman was granted only when they were convinced that this program would be broadcast without their participation. When we taped that interview the Church had its own cameras rigged to video us. Scientologists dressed in the style of Christian ministers witnessed the proceedings. American Judge Paul Breckenridge said in a recent judgment, the organization clearly is schizophrenic and paranoid and this bizarre combination seems to be a reflection of its founder LRH.

Heber Jentzsch: Mr. Breckenridge is not the first one to say that. Uh, a man by the name of Paul Dikhoff disseminated at first, SS number 337259, an SS officer in the Nazi intelligence systems who was the head of the Bundes Kriminal, the German Federal Police in 1970. And the head of Interpol in fact.

I do not support a Nazi's supposed right to disseminate that kind of thing.

Commentator: Are you categorically denying that private information culled from PC folders has ever been disseminated intimidate or blackmail ex-members of the Church of Scientology.

Heber Jentzsch: Absolutely because that can be verified in every Court of law in the world and it's just as simple as that. So, there will be allegations that people have a billion dollars. I understand that they want a billion dollars but they'll have to come up with some kind of documentation. There is none. There is none, nada as they say Spanish, niente as they say in Italian. There's nothing.

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT: (Aviso a Acusado)
BENT CORYDON

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

YOU ARE BEING SUED BY PLAINTIFF:
(A Ud. le está demandando)

HEBER JENTZSCH

You have **30 CALENDAR DAYS** after this summons is served on you to file a typewritten response at this court.

A letter or phone call will not protect you; your typewritten response must be in proper legal form if you want the court to hear your case.

If you do not file your response on time, you may lose the case, and your wages, money and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may call an attorney referral service or a legal aid office (listed in the phone book).

Después de que le entreguen esta citación judicial usted tiene un plazo de **30 DIAS CALENDARIOS** para presentar una respuesta escrita a máquina en esta corte.

Una carta o una llamada telefónica no le ofrecerá protección; su respuesta escrita a máquina tiene que cumplir con las formalidades legales apropiadas si usted quiere que la corte escuche su caso.

Si usted no presenta su respuesta a tiempo, puede perder el caso, y le pueden quitar su salario, su dinero y otras cosas de su propiedad sin aviso adicional por parte de la corte.

Existen otros requisitos legales. Puede que usted quiera llamar a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de referencia de abogados o a una oficina de ayuda legal (vea el directorio telefónico).

The name and address of the court is: *(El nombre y dirección de la corte es)*

SUPERIOR COURT OF THE STATE OF CALIFORNIA
900 3rd Street
San Fernando, CA 91340

CASE NUMBER (Número del Caso)

NYC 14274

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:

(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es)

TIMOTHY BOWLES
8530 Wilshire Blvd., Suite 407
Beverly Hills, CA 90211
(213) 661-4030

M. L. Maldonado

DATE:
(Fecha)

SEP 14 1988

Frank S. Zolin,

Clerk, by
(Actuario)

Deputy
(Delegado)

SEAL

NOTICE TO THE PERSON SERVED: You are served

1. ☒ as an individual defendant.
2. ☐ as the person sued under the fictitious name of (specify):
3. ☐ on behalf of (specify):

under: ☐ CCP 416.10 (corporation)
☐ CCP 416.20 (defunct corporation)
☐ CCP 416.40 (association or partnership)
☐ other:

☐ CCP 416.60 (minor)
☐ CCP 416.70 (conservatee)
☐ CCP 416.90 (individual)

4. ☐ by personal delivery on (date):

1 Timothy Bowles
2 8530 Wilshire Boulevard, Suite 407
3 Beverly Hills, California 90211
4 (213) 661-4030

5 Attorney for Plaintiff

ORIGINAL FILED

SEP 14 1987

COUNTY CLERK

6 SUPERIOR COURT OF THE STATE OF CALIFORNIA
7 FOR THE COUNTY OF LOS ANGELES

8 HEBER JENTZSCH,

9 Plaintiff,

10 -against-

11 BENT CORYDON,

12 Defendant.

Case No.

NVC 14274

COMPLAINT
FOR DAMAGES
FOR DEFAMATION

13
14 Plaintiff, by his attorney, Timothy Bowles, for his
15 complaint against defendant, alleges as follows:

16 I. NATURE OF THE ACTION

17 1. This is an action for damages caused by defendant's
18 publication over radio station KGIL, in San Fernando,
19 California, of false and defamatory statements of and
20 concerning plaintiff. Said statements were originally
21 published in and broadcast from the State of California,
22 County of Los Angeles.

23 II. PARTIES

24 2. Plaintiff is a resident of County of Los Angeles, State
25 of California, a minister in the Church of Scientology and the
26 President of the Church of Scientology International, a
27 religious organization, and the Mother Church in the United
28 States for the religion of Scientology. Plaintiff has been

and continues to be prominent as a spokesman of the Church of Scientology for years and is highly prominent in exposing abuses in mental hospitals and in the propagation of the highly successful drug rehabilitation technology developed by L. Ron Hubbard.

3. Defendant is the author of a book entitled "L. Ron Hubbard Messiah or Madman?," published by Lyle Stuart, Inc. (herein "book").

III. CAUSE OF ACTION

4. On August 31, 1987, defendant through a telephone connection spoke on and was broadcast by radio station KGIL as a guest to promote his book on a show known as "KGIL Newstalk."

5. KGIL broadcasts the "KGIL Newstalk" show throughout the greater Los Angeles metropolitan area. The show of August 31, 1987, and the particular defamatory statements alleged in paragraph 6 below, were heard throughout that area and by members of the public who know plaintiff personally and/or professionally as a minister of the Church of Scientology and as President of the Church of Scientology International.

6. While appearing on the "KGIL Newstalk" show on August 31, 1987; defendant published the following false and defamatory statements of and concerning plaintiff:

This guy is a professional liar. I mean, he calls himself the president of the Church.

* * *

He's unscrupulous and would run any line they have.

* * *

Heber Jentzsch is a professional liar. He's very, very good at what he does. He gets drilled on lying.

1 7. By the aforesaid defamatory statements alleged in
2 paragraph 6 above, defendant intended to convey and did convey
3 to the listening audience the following false and defamatory
4 meanings of and concerning plaintiff:

- 5 A. Plaintiff is a professional liar;
6 B. Plaintiff is drilled on how to lie;
7 C. Plaintiff is unscrupulous;
8 D. Plaintiff would say anything regardless of
9 whether it was true or false.

10 8. The audience that heard defendant's aforesaid
11 defamatory statements of and concerning plaintiff understood
12 said statements to have the false and defamatory meanings
13 alleged in paragraph 7 herein.

14 9. The reasonable meanings of the aforesaid defamatory
15 statements of and concerning plaintiff were the false and
16 defamatory meanings alleged in paragraph 7 herein.

17 10. Members of the listening audience familiar with
18 plaintiff and/or the Church of Scientology International
19 understood the said defamatory statements to have the following
20 false and defamatory meanings in addition to those alleged in
21 paragraph 7 herein:

22 A. As a minister, plaintiff has been drilled to
23 lie;

24 B. As a minister, plaintiff is unscrupulous;

25 C. In the practice of his ministry, plaintiff is a
26 professional liar.

27 11. By the aforesaid defamatory statements and by their
28 false and defamatory meanings as alleged herein defendant

1 charged plaintiff with dishonest and improper conduct in his
2 ministry and in his position as president of the Church of
3 Scientology International, and with highly unethical, improper
4 and unlawful conduct.

5 12. Plaintiff's reputation, credibility and ability to
6 fulfill his position as a minister of the Church of Scientology
7 and as president of the Church of Scientology International
8 requires that he be viewed as an ethical, honorable and
9 responsible man who does not lie, is not involved in lying and
10 is not unscrupulous.

11 13. Defendant knew that the aforesaid defamatory
12 statements set forth above were false and/or published them in
13 reckless disregard of their truth or falsity.

14 14. The aforesaid defamatory statements set forth above
15 were published by defendant acting in a grossly irresponsible
16 and reckless manner in failing to determine their truth or
17 falsity, in failing to follow any responsible standards and
18 practices in determining their truth or falsity and in knowing
19 that he did not know whether the statement was true.

20 15. The aforesaid defamatory statements set forth above
21 were published by defendant acting with culpable negligence and
22 in reckless disregard of and indifference to plaintiff's rights
23 and to their truth or falsity, and the damaging consequences
24 that publication of such statements could cause.

25 16. The aforesaid defamatory statements are utterly false.

26 17. By reason of the aforesaid acts of defendant,
27 plaintiff has suffered serious damage to his good name and
28 reputation, he has been injured in his profession as a minister

and his integrity, honesty, truthfulness and lawfulness have been seriously impaired.

18. Plaintiff has sent to defendant a written request to retract and correct the statements in paragraph 6 above pursuant to California Civil Code Section 48(a). The defendant has not as of this time issued any retraction whatsoever. Plaintiff believes defendant has no intention to, nor will he retract in any regard.

19. As a result, plaintiff has suffered actual damages in an amount in excess of \$50,000.00.

20. By virtue of defendant's conduct, plaintiff is entitled to recover punitive damages from defendant in an amount in excess of \$150,000.00.

WHEREFORE, plaintiff demands judgment against defendant, as follows:


(a) in an amount no less than \$50,000.00 in actual damages together with interest thereon;

(b) in an amount no less than \$150,000.00 in punitive damage;

(c) the costs and disbursement of this action including reasonable allowances for counsel fees and other lawful expenses; and

(d) such other further relief as the Court may find just and proper under the circumstances.

DATED: September 14, 1987


Timothy Bowles
Attorney for Plaintiff
8530 Wilshire Boulevard, Ste. 407
Beverly Hills, California 90211
(213) 661-4030

PROOF OF SERVICE - SUMMONS
(Use separate proof of service for each person served)

1. I served the
- a. ☒ summons ☒ complaint ☐ amended summons ☐ amended complaint
☐ completed and blank Case Questionnaires ☐ Other (specify):
- b. on defendant (name):
- c. by serving ☐ defendant ☐ other (name and title or relationship to person served).
- d. ☐ by delivery ☐ at home ☐ at business
(1) date:
(2) time:
(3) address:
- e. ☐ by mailing
(1) date:
(2) place:
2. Manner of service (check proper box):
- a. ☐ Personal service. By personally delivering copies. (CCP 415.10)
- b. ☐ Substituted service on corporation, unincorporated association (including partnership), or public entity. By leaving, during usual office hours, copies in the office of the person served with the person who apparently was in charge and thereafter mailing (by first-class mail, postage prepaid) copies to the person served at the place where the copies were left. (CCP 415.20(a))
- c. ☐ Substituted service on natural person, minor, conservatee, or candidate. By leaving copies at the dwelling house, usual place of abode, or usual place of business of the person served in the presence of a competent member of the household or a person apparently in charge of the office or place of business, at least 18 years of age, who was informed of the general nature of the papers, and thereafter mailing (by first-class mail, postage prepaid) copies to the person served at the place where the copies were left. (CCP 415.20(b)) (Attach separate declaration or affidavit stating acts relied on to establish reasonable diligence in first attempting personal service.)
- d. ☐ Mail and acknowledgment service. By mailing (by first-class mail or airmail, postage prepaid) copies to the person served, together with two copies of the form of notice and acknowledgment and a return envelope, postage prepaid, addressed to the sender. (CCP 415.30) (Attach completed acknowledgment of receipt.)
- e. ☐ Certified or registered mail service. By mailing to an address outside California (by first-class mail, postage prepaid, requiring a return receipt) copies to the person served. (CCP 415.40) (Attach signed return receipt or other evidence of actual delivery to the person served.)
- f. ☐ Other (specify code section):
☐ additional page is attached.
3. The "Notice to the Person Served" (on the summons) was completed as follows (CCP 412.30, 415.10, and 474):
- a. ☐ as an individual defendant.
- b. ☐ as the person sued under the fictitious name of (specify):
- c. ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor) ☐ other:
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (individual)
- d. ☐ by personal delivery on (date):
4. At the time of service I was at least 18 years of age and not a party to this action.
5. Fee for service: \$
6. Person serving:
- a. ☐ California sheriff, marshal, or constable.
- b. ☐ Registered California process server.
- c. ☐ Employee or independent contractor of a registered California process server.
- d. ☐ Not a registered California process server.
- e. ☐ Exempt from registration under Bus. & Prof. Code 22350(b).
- f. Name, address and telephone number and, if applicable, county of registration and number:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(For California sheriff, marshal, or constable use only)
I certify that the foregoing is true and correct.

Date:

Date:

(Signature)

(Signature)

SUMMONS
(CITACION JUDICIAL)

NOTICE TO DEFENDANT: (Aviso a Acusado)

BENT CORYDON

YOU ARE BEING SUED BY PLAINTIFF:
(A Ud. le está demandando)

JOHN CARMICHAEL

FOR COURT USE ONLY
(SOLO PARA USO DE LA CORTE)

You have **30 CALENDAR DAYS** after this summons is served on you to file a typewritten response at this court.

A letter or phone call will not protect you; your typewritten response must be in proper legal form if you want the court to hear your case.

If you do not file your response on time, you may lose the case, and your wages, money and property may be taken without further warning from the court.

There are other legal requirements. You may want to call an attorney right away. If you do not know an attorney, you may call an attorney referral service or a legal aid office (listed in the phone book).

Después de que le entreguen esta citación judicial usted tiene un plazo de **30 DIAS CALENDARIOS** para presentar una respuesta escrita a máquina en esta corte.

Una carta o una llamada telefónica no le ofrecerá protección; su respuesta escrita a máquina tiene que cumplir con las formalidades legales apropiadas si usted quiere que la corte escuche su caso.

Si usted no presenta su respuesta a tiempo, puede perder el caso, y le pueden quitar su salario, su dinero y otras cosas de su propiedad sin aviso adicional por parte de la corte.

Existen otros requisitos legales. Puede que usted quiera llamar a un abogado inmediatamente. Si no conoce a un abogado, puede llamar a un servicio de referencia de abogados o a una oficina de ayuda legal (vea el directorio telefónico).

The name and address of the court is: *(El nombre y dirección de la corte es)*

CASE NUMBER (Número del Caso)

189414

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE
4050 Main Street
Riverside, CA 92501

The name, address, and telephone number of plaintiff's attorney, or plaintiff without an attorney, is:
(El nombre, la dirección y el número de teléfono del abogado del demandante, o del demandante que no tiene abogado, es)

KENDRICK C. MOXON
ATTORNEY AT LAW
8530 Wilshire Blvd., Suite 407
Beverly Hills, CA 90211

WILLIAM E. CONERLY

DATE:
(Fecha)

SEP 14 1987



Clerk, by
(Actuario)

A. Hayes

Deputy
(Delegado)

(SEAL)

NOTICE TO THE PERSON SERVED: You are served

1. ☒ as an individual defendant.
2. ☐ as the person sued under the fictitious name of *(specify)*:
3. ☐ on behalf of *(specify)*:

under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor)
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (individual)
☐ other:

4. ☐ by personal delivery on *(date)*:

1 Kendrick L. Moxon
2 Counsel for Plaintiff
3 8530 Wilshire Blvd.
4 Suite 407
5 Beverly Hills, Ca. 90211
6 (213) 661-4030

FILED
RIVERSIDE COUNTY

SEP 14 1987

WILLIAM E. CONERLY, Clerk

A. Hayes Deputy
A. Hayes

7 SUPERIOR COURT OF THE STATE OF CALIFORNIA
8 COUNTY OF RIVERSIDE

9
10 JOHN CARMICHAEL,

11 Plaintiff,

12 -against-

13 BENT CORYDON,

14 Defendant.

189414

COMPLAINT FOR
DAMAGES FOR
DEFAMATION
CIVIL CODE §45

15
16 Plaintiff, by his attorneys, Kendrick L. Moxon for his
17 complaint against defendant, alleges as follows:

18 I. NATURE OF THE ACTION

19 1. This is an action for damages caused by defendant's
20 publication over radio station WABC of false and defamatory
21 statements of and concerning plaintiff. Venue is based upon the
22 residence of plaintiff and upon the origin of publication and
23 publication, all in the State, County and City of New York.

24 II. PARTIES

25 1. Plaintiff is a resident of the City, County and State
26 of New York, a minister in the Church of Scientology and the
27 President of the Church of Scientology of New York, Inc., a
28 religious organization.

2. Plaintiff is also engaged in a public relations business in the City, County and State of New York which is conducted under Plaintiff's name.

3. Defendant is the author of a book entitled "L. Ron Hubbard Messiah or Madman?," published by Lyle Stuart, Inc. (herein "book"), and is a resident of Riverside, California.

CAUSE OF ACTION

4. On August 19, 1987, defendant appeared on radio station WABC as a guest to promote his book on a show known as "Morning Newstalk."

5. WABC broadcasts the "Morning Newstalk" show throughout the greater New York metropolitan area. The show of August 19, 1987, and the particular defamatory statements alleged in paragraph 6 below, were heard throughout that area and by members of the public who know plaintiff personally, professionally as a minister of the Church of Scientology and in his public relations business.

6. While appearing on the "Morning Newstalk" show on August 19, 1987, in New York County, defendant published the following false and defamatory statements of and concerning plaintiff:

What I was doing was trying to cover up for your people that you told me were innocent, John Carmichael. You're one of their biggest spokesmen. You are a trained liar - they trained you on a lying drill. They actually train you on a drill that tells you how to lie effectively, and you're drilled on this regularly. I have the actual thing in my possession.

* * *

You wouldn't know what it [the truth] meant, buddy. You actually do train on that and you know it.

* * *

You're a professional liar.

7. By the aforesaid defamatory statements alleged in paragraph 6 above, defendant intended to convey and did convey to the listening audience the following false and defamatory meanings of and concerning plaintiff:

- A. Plaintiff is a trained liar;
- B. Plaintiff has been trained to lie effectively;
- C. Plaintiff is drilled regularly on how to lie;
- D. Plaintiff would not know what the truth meant;
- E. Plaintiff knows he actually trains to lie;
- F. Plaintiff is a professional liar.

8. The audience that heard defendant's aforesaid defamatory statements of and concerning plaintiff understood said statements to have the false and defamatory meanings alleged in paragraph 7 herein.

9. The reasonable meanings of the aforesaid defamatory statements of and concerning plaintiff was the false and defamatory meanings alleged in paragraph 7 herein.

10. Members of the listening audience familiar with plaintiff and/or the Church of Scientology of New York understood the said defamatory statements to have the following false and defamatory meanings in addition to those alleged in paragraph 7 herein:

- A. As a minister plaintiff is trained to lie;
- B. As a minister plaintiff does not know what the truth is;
- C. In the practice of his ministry plaintiff is a

1 professional liar;

2 D. In his public relations business plaintiff is a
3 trained liar;

4 E. In his public relations business plaintiff does not
5 know what the truth is;

6 F. In his public relations business plaintiff is a
7 professional liar.

8 11. By the aforesaid defamatory statements and by their
9 false and defamatory meanings as alleged herein defendant
10 charged plaintiff with dishonest and improper conduct in his
11 ministry and in his business, and with highly unethical,
12 improper and unlawful conduct.

13 12. Plaintiff's reputation, credibility and ability to
14 fulfill his position as a minister of the Church of Scientology
15 requires that he be viewed as an ethical, honorable and
16 responsible man who does not lie, is not involved in lying and
17 knows and respects the truth.

18 13. Plaintiff's reputation, credibility and ability to
19 function in his public relations business requires that he be
20 viewed as an ethical, honorable and responsible man who does not
21 lie, is not involved in lying and knows and respects the truth.

22 14. Defendant knew that the aforesaid defamatory
23 statements set forth above were false and/or published them in
24 reckless disregard of their truth or falsity.

25 15. The aforesaid defamatory statements set forth above
26 were published by defendant acting in a grossly irresponsible
27 manner in failing to determine their truth or falsity, in
28 failing to follow any responsible standards and practices in

1 determining their truth or falsity and in knowing that he did
2 not know whether the statement was true.

3 16. The aforesaid defamatory statements set forth above
4 were published by defendant acting with culpable negligence and
5 in reckless disregard of and indifference to plaintiff's rights
6 and to their truth or falsity, and the demanding consequences
7 that publication of such statements could cause.

8 17. The aforesaid defamatory statements are utterly false.

9 18. By reason of the aforesaid acts of defendant,
10 plaintiff has suffered serious damage to his good name and
11 reputation, he has been injured in his profession as a minister,
12 he has been injured in his public relations business and his
13 integrity, honesty, truthfulness and lawfulness have been
14 seriously impaired.

15 19. Upon information and belief, by reason of the
16 aforesaid acts of defendant, plaintiff has lost and will in the
17 future lose, prospective business and clients in his public
18 relations business resulting in specific economic damage and
19 loss to plaintiff.

20 20. Plaintiff has sent to defendant a written request
21 to retract and correct the statements in paragraph 6 above
22 pursuant to California Civil Code Section 48(a). The
23 defendant has not as of this time issued any retraction
24 whatsoever. Plaintiff believes defendant has no intention
25 to, nor will he retract in any regard.

26 21. As a result, plaintiff has suffered actual damages
27 in an amount in excess of \$50,000.00.

28 22. By virtue of defendant's conduct, plaintiff is

1 entitled to recover punitive damages from defendant in an amount
2 in excess of \$50,000.00.

3 WHEREFORE, plaintiff demands judgment against defendant, as
4 follows:

5 (a) in an amount no less than \$50,000.00 in
6 actual damages together with interest thereon;

7 (b) in an amount no less than \$50,000.00 in
8 punitive damage;

9 (c) the costs and disbursement of this action
10 including reasonable allowances for counsel fees and
11 other lawful expenses; and

12 (d) such other further relief as the Court may find
13 just and proper under the circumstances.

14 DATED: Los Angeles,
15 September 14, 1987

16 Respectfully submitted,
17

18 _____
19 Kendrick L. Moxon
20 Attorney for Plaintiff
21 8530 Wilshire Blvd.
22 Suite 407
23 Beverly Hills, Ca. 90211
24 (213) 661-4030
25
26
27
28

PROOF OF SERVICE — SUMMONS
(Use separate proof of service for each person served)

1. I served the

- a. ☒ summons ☒ complaint ☐ amended summons ☐ amended complaint
☐ completed and blank Case Questionnaires ☐ Other (specify):

b. on defendant (name):

c. by serving ☐ defendant ☐ other (name and title or relationship to person served):

d. ☐ by delivery ☐ at home ☐ at business

(1) date:

(2) time:

(3) address:

e. ☐ by mailing

(1) date:

(2) place:

2. Manner of service (check proper box):

- a. ☐ Personal service. By personally delivering copies. (CCP 415.10)
- b. ☐ Substituted service on corporation, unincorporated association (including partnership), or public entity. By leaving, during usual office hours, copies in the office of the person served with the person who apparently was in charge and thereafter mailing (by first-class mail, postage prepaid) copies to the person served at the place where the copies were left. (CCP 415.20(a))
- c. ☐ Substituted service on natural person, minor, conservatee, or candidate. By leaving copies at the dwelling house, usual place of abode, or usual place of business of the person served in the presence of a competent member of the household or a person apparently in charge of the office or place of business, at least 18 years of age, who was informed of the general nature of the papers, and thereafter mailing (by first-class mail, postage prepaid) copies to the person served at the place where the copies were left. (CCP 415.20(b)) (Attach separate declaration or affidavit stating acts relied on to establish reasonable diligence in first attempting personal service.)
- d. ☐ Mail and acknowledgment service. By mailing (by first-class mail or airmail, postage prepaid) copies to the person served, together with two copies of the form of notice and acknowledgment and a return envelope, postage prepaid, addressed to the sender. (CCP 415.30) (Attach completed acknowledgment of receipt.)
- e. ☐ Certified or registered mail service. By mailing to an address outside California (by first-class mail, postage prepaid; requiring a return receipt) copies to the person served. (CCP 415.40) (Attach signed return receipt or other evidence of actual delivery to the person served.)
- f. ☐ Other (specify code section):
☐ additional page is attached.

3. The "Notice to the Person Served" (on the summons) was completed as follows (CCP 412.30, 415.10, and 474):

- a. ☐ as an individual defendant.
- b. ☐ as the person sued under the fictitious name of (specify):
- c. ☐ on behalf of (specify):
under: ☐ CCP 416.10 (corporation) ☐ CCP 416.60 (minor) ☐ other:
☐ CCP 416.20 (defunct corporation) ☐ CCP 416.70 (conservatee)
☐ CCP 416.40 (association or partnership) ☐ CCP 416.90 (individual)
- d. ☐ by personal delivery on (date):

4. At the time of service I was at least 18 years of age and not a party to this action.

5. Fee for service: \$

6. Person serving:

- a. ☐ California sheriff, marshal, or constable.
- b. ☐ Registered California process server.
- c. ☐ Employee or independent contractor of a registered California process server.
- d. ☐ Not a registered California process server.
- e. ☐ Exempt from registration under Bus. & Prof. Code 22350(b).

f. Name, address and telephone number and, if applicable, county of registration and number:

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

(For California sheriff, marshal, or constable use only)
I certify that the foregoing is true and correct.

Date:

Date:



Signature



Signature

(VERIFICATION — 44A, 20153 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am the _____

in the above entitled action or proceeding; I have read the foregoing _____

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ at _____ California
(date) (place)

(Signature)

PROOF OF SERVICE BY MAIL (1013a, 20153 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

P.O. Box 511, Pacific Palisades, Ca. 90272

On _____, 19____, I served the within _____

on the _____ Parties
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the
United States mail at _____
addressed as follows:

Lenske, Lenske & Heller
6400 Canoga Avenue
Suite 315
Woodland Hills CA 91367

Litt & Stormer
3550 Wilshire Blvd.
Suite 1200
Los Angeles CA 90010

Peterson & Brynan
8530 Wilshire Blvd
Suite 407
L.A. CA 90211

I do declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ at _____ California
(date) (place)

1 FEDERICO C. SAYRE, Esq.
2 TOBY L. PLEVIN, Esq.
3 SAYRE, MORENO, PURCELL & BOUCHER
4 10866 Wilshire Boulevard
5 Fourth Floor
6 Los Angeles, California 90024
7 (213) 475-0505

8 Attorneys for Bent Corydon

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF LOS ANGELES

11 CHURCH OF SCIENTOLOGY OF
12 CALIFORNIA,

13 Plaintiff,

14 v.

15 GERALD ARMSTRONG,

16 Defendant.

17 MARY SUE HUBBARD,

18 Intervenor.

) CASE NO. 420 153

) JOINDER IN MOTION TO UNSEAL
) FILE

) DATE: November 9, 1988

) TIME: 9:00 a.m.

) DEPT: 56

19
20 TO ALL PARTIES AND THEIR ATTORNEYS OF RECORD:

21
22 PLEASE TAKE NOTICE that Bent Corydon, Mary Corydon, Mark
23 Lutovsky, Phil Black, Marc Chacon, Dorothy Kolb and the Church of
24 Sciologos have joined the pending Motion of Bent Corydon filed by
25 Paul Morantz, Esq. for an order that:

26 THE HEREIN FILE BE UNSEALED.


27 / / /

28 / / /

1 Said motion shall be based upon the attached declaration of
2 Toby L. Plevin as counsel for Bent Corydon, Mary Corydon, Phil
3 Black, Marc Chacon and the Church of Sciologos, the Declaration
4 and Points and Authorities submitted by Paul Morantz, Esq., as
5 counsel for Bent Corydon in Coordination Proceeding No. 2151, and
6 on such evidence and argument as will be given at the hearing on
7 the motion.

8
9 DATED: October 26, 1988.

10 SAYRE, MORENO, PURCELL & BOUCHER

11
12 
13 FEDERICO C. SAYRE
14 TOBY L. PLEVIN
15 Attorneys for Bent Corydon, Mark
16 Lutovsky, Phil Black, Marc
17 Chacon and the Church of
18 Sciologos
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1 FEDERICO C. SAYRE, Esq.
2 TOBY L. PLEVIN, Esq.
3 SAYRE, MORENO, PURCELL & BOUCHER
4 10866 Wilshire Boulevard
5 Fourth Floor
6 Los Angeles, California 90024
7 (213) 475-0505

8 Attorneys for Bent Corydon

9 SUPERIOR COURT OF THE STATE OF CALIFORNIA
10 FOR THE COUNTY OF LOS ANGELES

11 CHURCH OF SCIENTOLOGY OF
12 CALIFORNIA,

13 Plaintiff,

14 v.

15 GERALD ARMSTRONG,

16 Defendant.

17 MARY SUE HUBBARD,

18 Intervenor.

) CASE NO. C 420 153

)
) DECLARATION OF TOBY L. PLEVIN
) IN SUPPORT OF MOTION OF BENT
) CORYDON TO UNSEAL FILE

) DATE: November 9, 1988

) TIME: 9:00 a.m.

) DEPT: 56
)

19
20 I, Toby L. Plevin, do hereby declare as follows:

21
22 I am over the age of eighteen and if called to the stand and
23 sworn under oath I could competently testify as follows:

24
25 1. I am the attorney for Bent Corydon in Los Angeles
26 County Superior Court Case No. C 694 401, captioned Bent
27 Corydon v. Church of Scientology et al. and in Riverside County
28 Superior Court Case No. C 154 129, captioned Church of

1 Scientology Mission of Riverside et al. v. Church of Sciologos,
2 Bent Corydon et al., which are referred to in the second
3 paragraph of the declaration of Paul Morantz previously submitted
4 herein. In the latter case, Sayre, Moreno, Purcell & Boucher
5 also represents MARY CORYDON, MARK LUTOVSKI, PHIL BLACK, MARC
6 CHACON and CHURCH OF SCIOLOGIOS.
7

8 2. Judge Paul Breckenridge's decision in the within case
9 made a finding confirming the existence of the so-called fair
10 game policy of the Church of Scientology and confirming that
11 Scientology individuals and entities implement that policy to
12 harass their enemies.
13

14 3. The issue of the fair game policy of the Church of
15 Scientology, its organizations and agents is a key issue in the
16 above-referenced lawsuits. Consequently, a certified copy of the
17 judgment in the Armstrong case may be necessary for collateral
18 estoppel purposes in those actions.
19

20 4. The documentary evidence regarding fair game is also
21 relevant to the Corydon actions because in both cases Mr. Corydon
22 (and, in the Riverside case, his co-parties) allege tortious
23 conduct by Scientology organizations and agents including but not
24 limited to assault and battery, intentional infliction of
25 emotional distress, and fraud coverina a period commencing as
26 early as 1974 through 1982, intentional interference with
27 prospective economic advantage and defamation.
28

/ / /

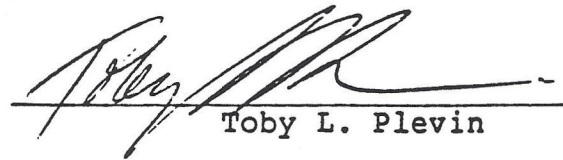
1 5. The evidence of fair game tactics from the transcript
2 of proceedings is also essential to a motion for a protective
3 order that is pending in the Riverside case in which Mr. Corydon
4 and his co-parties seek protection of the court from further
5 harassment and discovery. Evidence regarding the patterns of
6 abuse of the legal system by the Church of Scientology for the
7 purposes of harassment and for obstruction of justice is crucial
8 to that motion.
9

10 6. In addition to the foregoing, evidence in the files may
11 include material relevant to the question of whether, at its
12 inception, Scientology was a business enterprise not a religion;
13 that religion was superimposed upon it as a convenient device for
14 eluding various regulations and for evading taxes. Such evidence
15 is crucial to counter the Church's defense in the Corydon actions
16 that its tortious conduct can not be subject to adjudication
17 because it intrudes on religious freedom.
18

19 7. Evidence regarding the establishment of Scientology
20 Missions International as a means for controlling missions and
21 the rewriting, backdating and altering Mission Board minutes is
22 important to the defense in the Riverside action in which the
23 validity and/or voidability of certain Board action has been
24 raised.
25

26 8. Attached are copies of the operative complaints and
27 cross-complaints in the Los Angeles Superior Court Case No. C 964
28 401 and Riverside County Case No. C 154 129.

1 I declare under penalty of perjury that the foregoing is
2 true and correct. Executed this 27th day of October, 1988 at Los
3 Angeles, California.
4

5 
6 Toby L. Plevin
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28

1 ~~ROBERT N. HARRIS,~~
2 A Professional Corporation
3 TRABISH & PETERSON
4 4676 Admiralty Way, Suite 902
5 Marina Del Ray, California 90291
6 (213) 822-2818

7 Attorneys for Plaintiffs

FILED
RIVERSIDE COUNTY

JAN 12 1983

By WILLIAM E. CONERLY, Clerk

E. Sayers E. Sayers
Deputy

8 SUPERIOR COURT OF CALIFORNIA, COUNTY OF RIVERSIDE

9 - his page

12 CHURCH OF SCIENTOLOGY MISSION OF)
13 RIVERSIDE, a California Non-Profit)
14 Religious Corporation, MISSION OF)
15 RIVERSIDE, an unincorporated)
16 association, GEROLD W. LANGENFELD,)
17 ROBERT W. BEILHART, and DAVID M.)
18 WINDSOR,)

19 Plaintiffs,

20 vs.

21 BENT CORYDON, MARY CORYDON, MARK)
22 LUTOVSKY, DOROTHY A. KOLB, MARC)
23 CHACON, ROBERT CHAMBERS, JEFF)
24 NICHOLS, PHILLIP BLACK, CHURCH OF)
25 SCIOLOGOS, a California Corporation,)
26 and DOES 1 through 20,)
27 Inclusive,)

28 Defendants.

CASE NO. 154129

FIRST AMENDED
COMPLAINT FOR:

1. BREACH OF FIDUCIARY DUTY;
2. VIOLATION OF CORPORATIONS CODE, SECTION 9243 (SELF-INTERESTED DIRECTOR DEALINGS);
3. RESTITUTION BASED ON CANCELLATION OF DEED;
4. QUIET TITLE;
5. CONVERSION;
6. CONSTRUCTIVE TRUST;
7. DECLARATORY RELIEF;
8. INJUNCTIVE RELIEF

25 FIRST CAUSE OF ACTION

26 Plaintiffs, and each of them, allege as a First Cause of
27 Action against defendants BENT CORYDON, MARY CORYDON, and MARK
28 LUTOVSKY Breach of Fiduciary Duty as follows:

EXHIBIT A

1. Plaintiff CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE (hereinafter "MISSION") is, and at all relevant times was, a California non-profit religious corporation with its principal place of business in Riverside County.

2. A true copy of the Articles of Incorporation of MISSION (hereinafter "Articles") is attached hereto as Exhibit "A" and incorporated herein by reference. A true copy of the Bylaws of MISSION (hereinafter "Bylaws") is attached hereto as Exhibit "B" and is incorporated herein by reference.

3. Plaintiff MISSION OF RIVERSIDE (hereinafter "CHURCH") is an unincorporated association and a church, consisting of Scientology parishioners, which at all relevant times operated under the corporate style of plaintiff MISSION in Riverside County.

4. Plaintiffs GEROLD W. LANGENFELD, ROBERT W. BEILHART and DAVID M. WINDSOR are directors of plaintiff MISSION. Plaintiffs GEROLD W. LANGENFELD and DAVID M. WINDSOR are the President and Treasurer, respectively, of MISSION. From and after December 16, 1982, plaintiff ROBERT W. BEILHART was and is the Mission Holder of MISSION, the person who occupies the highest ecclesiastical position in plaintiff CHURCH, and was and is a trustee of the assets of plaintiff CHURCH. Plaintiffs GEROLD W. LANGENFELD, AND DAVID M. WINDSOR are both parishioners of plaintiff CHURCH.

5. Defendants BENT CORYDON and MARY CORYDON are husband and wife.

6. Defendants BENT CORYDON, MARY CORYDON and MARK LUTOVSKY are residents of Riverside County.

1 7. The residence of defendant DOROTHY A. KOLB is in
2 Orange County, California, but plaintiffs are informed and
3 believe and therefore allege that defendant DOROTHY A. KOLB did
4 or caused to be done acts in Riverside County of which
5 plaintiffs herein complain.

6 8. Defendant MARC CHACON is a resident of Riverside
7 County.

8 9. Defendant CHURCH OF SCIOLOGOS purports to be a
9 California corporation doing business in Riverside County.

10 10. The residences of defendants ROBERT CHAMBERS, JEFF
11 NICHOLS, PHILLIP BLACK, and DOES 1 through 20, are unknown at
12 this time, but plaintiffs are informed and believe and
13 therefore allege that each of these defendants did or caused to
14 be done acts in Riverside County of which plaintiffs herein
15 complain.

16 11. Plaintiffs are ignorant of the true names and
17 capacities of defendants sued herein as DOES 1 through 20,
18 inclusive, and therefore sue these defendants by such
19 fictitious names. Plaintiffs will amend their complaint to
20 allege their true names and capacities when ascertained.
21 Plaintiffs are informed and believe and therefore allege that
22 each of such fictitiously named defendants is responsible in
23 some manner for the occurrences herein alleged. Wherever
24 appearing in this Complaint, each and every reference to
25 "Defendants" is intended to and shall be a reference to all
26 defendants in this action and to each of them, including all
27 fictitiously named defendants.

28 12. At all times herein mentioned, each of the defendants

EXHIBIT. A 4

1 was the agent and employee of his codefendants and in doing all
2 of the things herein mentioned was acting within the scope of
3 his authority and employment as such agent and employee and
4 with the permission and consent of his codefendants.

5 13. Defendants BENT CORYDON, MARY CORYDON and MARK
6 LUTOVSKY were directors of plaintiff MISSION at all relevant
7 times prior to November 19, 1982. Said defendants were
8 disqualified as directors on November 19, 1982, and were
9 removed for cause from the Board of Directors of MISSION on
10 December 16, 1982, in accordance with and pursuant to
11 applicable provisions of the Bylaws.

12 14. Prior to November 23, 1982, plaintiff MISSION was the
13 legal owner, in trust for the benefit of plaintiff CHURCH, of
14 certain real property in the County of Riverside, consisting of
15 a building and an improved parking lot, more particularly
16 described as follows:

17
18 1. The Building: That portion of Block 7, Range 4 of
19 the Town of Riverside, as shown by Map on file in Book
20 7, page 17 of Maps, San Bernardino County Records,
21 described as follows: Beginning at the Southwesterly
22 corner of said Block; thence Easterly on the Northerly
23 line of Eight Street, 185 feet; thence Northerly,
24 parallel with the Easterly line of Lemon Street, 185
25 feet to the Southerly line of an alley; thence
26 Westerly on the Southerly line of said alley, 185 feet
27 to the Easterly line of Lemon Street; thence Southerly
28 on the Easterly line of Lemon Street, 185 feet to the
point of beginning.

Commonly known as 3485 University Street, Riverside,
California..

2. The Parking Lot: A portion of Block 7, Range 5,
as shown by map of the TOWN OF RIVERSIDE, in the City
of Riverside, County of Riverside, State of
California, and described as follows:

1 Commencing at the Southeast corner of Block 7, Range
2 5, as shown by Map of the TOWN OF RIVERSIDE, recorded
3 in Book 7, page 17 of Maps, records of San Bernardino
4 County, California;

5 Thence Westerly along the Northerly line of University
6 Avenue (formerly Eight Street), 109 feet;

7 Thence at a right angle Northerly and parallel with
8 the Westerly line of Lemon Street, 50 feet;

9 Thence at a right angle Westerly and parallel with the
10 Northerly line of University Avenue (formerly Eight
11 Street), 56 feet;

12 Thence at a right angle Northerly and parallel with
13 the Westerly line of Lemon Street, 80 feet;

14 Thence at a right angle Easterly and parallel with the
15 Northerly line of University Avenue (formerly Eight
16 Street), 165 feet to the Westerly line of Lemon Street;

17 Thence Southerly along the Westerly line of Lemon
18 Street, 130 feet to the point of beginning.

19 15. Plaintiffs are informed and believe and therefore
20 allege that the above-described real property has a fair market
21 value in excess of seven hundred fifty thousand dollars
22 (\$750,000).

23 16. On or about November 19, 1982, defendant BENT CORYDON,
24 as a married man, purported to execute two Deeds of Trust to
25 secure an indebtedness of one hundred ten thousand dollars
26 (\$110,000) purportedly evidenced by a promissory note in favor
27 of plaintiff MISSION for the purchase of the above-described
28 real property. Attached hereto as Exhibits "C" and "C-1" are
true copies of said Trust Deeds, which are incorporated herein
by reference. Plaintiffs are informed and believe and
therefore allege that there is no underlying promissory note
supporting said trust deeds.

EXHIBIT A

1 17. On or about November 23, 1982, defendants BENT CORYDON
2 and MARK LUTOVSKY purported to execute two Grant Deeds on
3 behalf of plaintiff MISSION to transfer all of the
4 above-described property of plaintiffs MISSION and CHURCH to
5 defendant BENT CORYDON, "a married man as his separate
6 property." Attached hereto as Exhibits "D" and "D-1" are true
7 copies of said Grant Deeds which are incorporated by
8 reference. Said transfer was for grossly less than the fair
9 market value of said real property.

10 18. On or about November 26, 1982, defendant MARY CORYDON
11 purported to execute a quitclaim deed on the above-described
12 real property in favor of defendant BENT CORYDON. Attached
13 hereto as Exhibits "E" and "E-1" are true copies of said
14 quitclaim deeds, which are incorporated herein by reference.

15 19. By reason of the above transfer of said real property
16 of plaintiffs MISSION and CHURCH to an individual at grossly
17 less than fair market value, defendants BENT CORYDON, MARY
18 CORYDON and MARK LUTOVSKY breached their general fiduciary duty
19 to plaintiffs, as well as their special fiduciary duty under
20 Article VII, Section 1.c. of the Bylaws.

21 20. As a proximate result of the acts herein alleged
22 plaintiffs MISSION and CHURCH have suffered general damages in
23 the amount of seven hundred fifty thousand dollars (\$750,000).

24 21. The aforementioned acts of defendants BENT CORYDON,
25 MARY CORYDON and MARK LUTOVSKY, were intentional, deliberate,
26 willful, wanton, malicious, and oppressive, and amounted to a
27 fraud against plaintiffs, and each of them. Plaintiffs are
28 therefore entitled to recover punitive damages in the amount of

EXHIBIT. A

1 seven hundred fifty thousand dollars (\$750,000).

2
3 SECOND CAUSE OF ACTION

4 Plaintiffs, and each of them, allege as a Second Cause of
5 Action against defendants BENT CORYDON, MARY CORYDON and MARK
6 LUTOVSKY Self-Interested Dealings in violation of California
7 Corporation Code Section 9243 as follows:

8 22. Plaintiffs repeat and reallege each and every
9 allegation contained in Paragraphs 1 through 6, and Paragraphs
10 13 through 18 above, and incorporate them herein by reference
11 as though fully set forth.

12 23. Said transfer of the above-described real property of
13 plaintiffs MISSION and CHURCH to defendant BENT CORYDON was in
14 violation of Section 9243 of the California Corporations Code.

15 24. Plaintiff MISSION is, therefore, entitled under
16 California Corporations Code, Section 9243(h)(1)-(3) to an
17 order of this Court to defendants BENT CORYDON, MARY CORYDON
18 and MARK LUTOVSKY to account for any profits made from such
19 transaction, to pay such profits to plaintiff MISSION, to pay
20 plaintiff MISSION the value of the use of the property while it
21 was wrongfully in the possession of said defendants, and to
22 return the real property unlawfully transferred from plaintiff
23 MISSION as a result of the above-described transaction by way
24 of a cancellation of the Trust Deeds, Grant Deeds and Quitclaim
25 Deeds recorded November 23, 1982, Exhibits "C" and "C-1", "D"
26 and "D-1", and "E" and "E-1" attached hereto.

27 25. Plaintiff MISSION is entitled to an award of
28 prejudgment interest to the extent allowed in Sections 3287 and

EXHIBIT A

1 3288 of the California Civil Code because of the directors'
2 self-dealing transaction described above.

3 26. The aforementioned acts of defendants, BENT CORYDON,
4 MARY CORYDON and MARK LUTOVSKY, were intentional, deliberate,
5 willful, wanton, malicious, and oppressive, and amounted to a
6 fraud against plaintiffs and each of them. Plaintiffs are
7 entitled to recover punitive damages in the amount of seven
8 hundred fifty thousand dollars (\$750,000).

9
10 THIRD CAUSE OF ACTION

11 Plaintiffs, and each of them, allege as a Third Cause of
12 Action against defendants BENT CORYDON, MARY CORYDON and MARK
13 LUTOVSKY Restitution Based on Cancellation of Deed as follows:

14 27. Plaintiffs repeat and reallege each and every
15 allegation contained in Paragraphs 1 through 6, Paragraphs 13
16 through 19 and Paragraph 23, and incorporate the same by
17 reference as through fully set forth herein.

18 28. On or about December 21, 1982, plaintiffs MISSION and
19 CHURCH notified defendants BENT CORYDON and MARK LUTOVSKY in
20 writing that the transfer of the above described real property
21 was null and void. Defendants BENT CORYDON and MARK LUTOVSKY
22 refuse and continue to refuse to restore said real property to
23 plaintiffs MISSION and CHURCH.

24 29. At present, there is outstanding and presently
25 recorded in the Riverside County Recorder's Office Deeds of
26 Trust, Grant Deeds and Quitclaim Deeds, attached hereto as
27 Exhibits "C" and "C-1," "D" and "D-1," and "E" and "E-1."

28 30. Plaintiffs are entitled to an order of this Court

FYLRIT A

1 declaring that the Deeds of Trust, Grant Deeds and Quitclaim
2 Deeds, attached hereto as Exhibits "C" and "C-1," "D" and
3 "D-1," and "E" and "E-1" are void, and cancelling them.

4 31. Plaintiffs are further entitled to a Writ of
5 Possession granting to plaintiffs MISSION and CHURCH the right
6 of immediate physical possession and control of said real
7 property.

8
9 FOURTH CAUSE OF ACTION

10 Plaintiff, and each of them, allege as a Fourth Cause of
11 Action against defendants BENT CORYDON and MARY CORYDON, Quiet
12 Title as follows:

13 32. Plaintiffs repeat and reallege each and every
14 allegation contained in paragraphs 1 through 6, Paragraphs 13
15 through 19 and Paragraph 23 above and incorporate them herein
16 by reference as though fully set forth.

17 33. Plaintiff MISSION is currently the legal owner and
18 holds in trust for the benefit of plaintiff CHURCH the real
19 property described in Paragraph 14 above.

20 34. Plaintiff MISSION holds title by way of Grant Deeds
21 granting plaintiff MISSION fee simple title.

22 35. Plaintiffs MISSION and CHURCH were in possession of
23 said property within (5) years of the commencement of this
24 action.

25 36. Plaintiffs MISSION and CHURCH seek to quiet title
26 against the claims of defendants BENT CORYDON and MARY CORYDON,
27 who claim title by Deeds of Trust, Grant Deeds and Quitclaim
28 deeds attached hereto as Exhibits "C" and "C-1," "D" and "D-1,"

EXHIBIT A

1 and "E" and "E-1," which claims are without merit or any right
2 whatever and said defendants have no right, title, estate,
3 claim or interest in the property described in Paragraph 14
4 above or any part thereof.

5 37. Plaintiffs seek to quiet title as of November 19, 1982.

6
7 FIFTH CAUSE OF ACTION

8 Plaintiffs, and each of them, allege as a Fifth Cause of
9 Action against defendants, and each of them, Conversion, as
10 follows:

11 38. Plaintiffs repeat and reallege each and every
12 allegation contained in Paragraphs 1 through 13 above and
13 incorporate them herein by reference as though fully set forth.

14 39. At all times pertinent to this action, plaintiffs
15 MISSION and CHURCH were, and still are, the lawful owners, and
16 were, and still are, entitled to possession of certain personal
17 property, specifically: All furniture, office equipment,
18 offset press and holder, E-meters, books, file cabinets,
19 mailing lists, tape recorders, television receivers,
20 telephones, and all other items of personal property of every
21 kind located in or about the above-described real property of
22 plaintiffs MISSION and CHURCH.

23 40. On or about November 23, 1982, at Riverside,
24 California, the above-mentioned personal property had a
25 reasonable value to be proved at the time of trial, but in
26 excess of fifteen thousand dollars (\$15,000).

27 41. Plaintiffs are informed and believe and therefore
28 allege that defendants, and each of them, without authorization

EXHIBIT A

1 from plaintiffs MISSION and CHURCH, did wrongfully take and
2 convert to their own use the items of personal property more
3 particularly described in Paragraph 39 above.

4 42. Upon discovery of the wrongful taking and conversion
5 by defendants, and each of them, plaintiffs MISSION and CHURCH
6 made oral and written demands of defendants BENT CORYDON and
7 MARK LUTOVSKY for the immediate return of the above-mentioned
8 property, but defendants failed and refused and continue to
9 fail and refuse to return said property to possession and
10 control of plaintiffs MISSION and CHURCH.

11 43. Plaintiffs are informed and believe and therefore
12 allege that after November 19, 1982 and continuing to the date
13 of the filing of this Complaint defendants, and each of them,
14 maliciously, intentionally and unlawfully conspired together to
15 convert the personal property of plaintiffs MISSION and CHURCH
16 to their own use.

17 44. Between the time of conversion of the above-mentioned
18 property by defendants, and each of them, to their own use and
19 the filing of this action, plaintiffs MISSION and CHURCH have
20 employed staff in attempting to determine the extent that said
21 personal property has been converted and have further employed
22 attorneys and other persons to attempt to regain possession of
23 the property, all to plaintiff's further damage in a sum to be
24 proved at the time of trial.

25 45. The aforementioned acts of defendants, and each of
26 them, were intentional, deliberate, willful, wanton, malicious
27 and oppressive and in reckless disregard of the rights of
28 plaintiffs MISSION and CHURCH. Plaintiffs, and each of them,

EXHIBIT A

1 are therefore entitled to recover punitive damages in an amount
2 of one hundred thousand dollars (\$100,000).
3

4 SIXTH CAUSE OF ACTION

5 Plaintiffs, and each of them, allege as a sixth Cause of
6 Action against defendants, and each of them, Unjust Enrichment
7 requiring a Constructive Trust as follows:

8 46. Plaintiffs repeat and reallege each and every
9 allegation contained in Paragraphs 1 through 19, Paragraph 23,
10 and Paragraphs 39 through 43 above and incorporate them herein
11 by reference as though fully set forth.

12 47. Plaintiffs are informed and believe and therefore
13 allege that defendants, and each of them, acting in concert,
14 intend to use the converted personal property and the
15 wrongfully acquired real property for their own benefit and
16 profit. Because of the conversion of the personal property and
17 wrongful acquisition of the real property through breach of
18 fiduciary duty by defendants BENT CORYDON, MARY CORYDON and
19 MARK LUTOVSKY, as hereinabove alleged, and because defendants,
20 and each of them, by this conduct, have been and will be
21 unjustly enriched at the expense of plaintiffs MISSION and
22 CHURCH, a constructive trust should be impressed upon the
23 personal property of plaintiffs MISSION and CHURCH, their bank
24 accounts, and the real property described herein, which real
25 property is now being held by defendant BENT CORYDON; and
26 defendants, and each of them, should be named as co-trustees on
27 behalf of plaintiffs MISSION and CHURCH. By the terms of said
28 constructive trust, defendants, and each of them, should be

EXHIBIT A

1 required to keep safe and maintain the personal and real
2 property of plaintiffs MISSION and CHURCH, any profits that
3 defendants realize should be required to be held for the
4 benefit of plaintiffs MISSION and CHURCH, and defendants, and
5 each of them, should refrain from any and all liquidations or
6 transfers of any of the personal or real property of plaintiffs
7 MISSION and CHURCH.

8
9 SEVENTH CAUSE OF ACTION

10 Plaintiffs, and each of them, allege as a Seventh Cause of
11 Action against defendants, and each of them, for Declaratory
12 Relief pursuant to California Code of Civil Procedure Section
13 1060 as follows:

14 48. Plaintiffs repeat and reallege each and every
15 allegation contained in Paragraphs 1 through 19, Paragraph 23,
16 and Paragraphs 39 through 43 above and incorporate them herein
17 by reference as though fully set forth.

18 49. An actual controversy has arisen and now exists
19 between plaintiffs and defendants concerning their respective
20 rights and duties in that plaintiffs contend that defendants
21 BENT CORYDON, MARY CORYDON and MARK LUTOVSKY owed to plaintiffs
22 MISSION and CHURCH the duties of a fiduciary because of their
23 positions as directors of a California non-profit religious
24 corporation and further contend that these duties have been
25 breached as set forth above, and specifically contend that
26 defendants BENT CORYDON, MARY CORYDON, and MARK LUTOVSKY,
27 through corporate self-dealing, did transfer real property
28 belonging to plaintiffs MISSION and CHURCH to defendant BENT

EXHIBIT A

1 CORYDON, and defendants, and each of them, have converted to
2 their own use personal property of plaintiffs MISSION and
3 CHURCH. Defendant BENT CORYDON presently holds by force the
4 real property described above, and defendants, and each of
5 them, are also holding in their possession and under their
6 control the items of personal property described in Paragraph
7 39 above; and defendants deny all of plaintiffs' above-stated
8 contentions.

9 50. Plaintiffs desire a judicial determination of their
10 rights and duties and a written declaration as to the rights,
11 duties and obligations of defendants, and each of them, in
12 regard to the possession of the personal property described in
13 Paragraph 39 above, and, with reference to the Trust Deeds,
14 Grant Deeds and Quitclaim Deeds attached hereto as Exhibits "C"
15 and "C-1," "D" and "D-1," and "E" and "E-1," and as to whether
16 a constructive trust shall be impressed upon the personal
17 property, real property and bank accounts of plaintiffs MISSION
18 and CHURCH now being held by said defendants.

19 51. A judicial declaration is necessary and appropriate at
20 this time under the circumstances in order that plaintiffs
21 MISSION and CHURCH may ascertain their rights and duties in
22 regard to the personal property, bank accounts and real
23 property, which is essential so that plaintiffs MISSION and
24 CHURCH can carry on their religious activities.

25 52. On or about November 29, 1982, defendant BENT CORYDON
26 caused to be filed with the Secretary of State of the State of
27 California Articles of Incorporation of defendant CHURCH OF
28 SCIOLOGOS.

EXHIBIT A 4.

1 53. On or about December 9, 1982, defendant BENT CORYDON
2 stated that the purported "leaders" of plaintiff MISSION,
3 including himself, had "severed" themselves from the Mother
4 Church for plaintiffs MISSION and CHURCH, and that plaintiff
5 MISSION's Board of Directors had made its decision to "sever"
6 plaintiffs MISSION and CHURCH from the Mother Church for
7 Missions on November 24, 1982, all of which was contrary to
8 plaintiff MISSION's Articles and Bylaws.

9 54. On or about December 9, 1982, defendant BENT CORYDON
10 falsely stated that the deeds to the real property of
11 plaintiffs MISSION and CHURCH were in the hands of defendant
12 CHURCH OF SCIOLOGOS, which, he stated, included defendants BENT
13 CORYDON, MARY CORYDON, MARK LUTOVSKY, DOROTHY A. KOLB, ROBERT
14 CHAMBERS, JEFF NICHOLS, and PHILLIP BLACK.

15 55. On or about December 22, 1982, defendants purported to
16 "merge" plaintiff MISSION into defendant CHURCH OF SCIOLOGOS by
17 filing documents with the Secretary of State of the State of
18 California. A true copy of the purported "merger" document is
19 attached hereto as Exhibit "F," and incorporated herein by
20 reference as though set forth in full.

21 56. An actual controversy has arisen and now exists
22 between plaintiffs and defendants concerning their respective
23 rights and duties in that plaintiffs contend that defendants
24 BENT CORYDON, MARY CORYDON and MARK LUTOVSKY were not lawful
25 directors of plaintiff MISSION at the time the purported
26 "merger" agreement, Exhibit "F," was filed with the California
27 Secretary of State, that said "merger" agreement was contrary
28 to plaintiff MISSION'S Articles and Bylaws, and that said

1 "merger" agreement is null and void; and defendants deny all of
2 plaintiffs' above-stated contentions.

3 57. Plaintiffs MISSION and CHURCH desire a judicial
4 determination of their rights and duties and a written
5 declaration as to the rights, duties and obligations of
6 defendants, and each of them, in regard to the corporate status
7 of plaintiff MISSION; and specifically seek a declaration that
8 plaintiff MISSION is a valid, existing, separate corporation
9 and that the purported "merger" of plaintiff MISSION into
10 defendant CHURCH OF SCIOLOGOS was null and void.

11 58. A judicial declaration is necessary and appropriate at
12 this time under the circumstances in order that plaintiff
13 MISSION may ascertain its rights and duties as a valid,
14 existing, separate non-profit religious corporation under the
15 law so that plaintiffs MISSION and CHURCH can carry on their
16 religious activities in accordance with plaintiff MISSION's
17 Articles and Bylaws.

18
19 EIGHTH CAUSE OF ACTION

20 59. Plaintiffs, and each of them, allege as an Eighth
21 Cause of Action against defendants, and each of them, for
22 Injunctive Relief as follows:

23 60. Plaintiffs repeat and reallege each and every
24 allegation contained in Paragraphs 1 through 19, Paragraph 23,
25 Paragraphs 39 through 43, and Paragraphs 52 through 55 above
26 and incorporate them herein by reference as though fully set
27 forth.

28 61. Unless preliminarily and permanently enjoined by this

1 Court, defendants, and each of them, will continue their
2 illegal and unauthorized possession and control of personal
3 property and real property of plaintiffs MISSION and CHURCH,
4 and there exists no adequate remedy at law. The real property
5 is unique because its location is uniquely associated with
6 plaintiffs MISSION and CHURCH; the personal property is largely
7 unique in character because the religious materials and files
8 held by defendants are different as to each individual
9 parishioner and monetary damages alone, as a matter of law,
10 cannot adequately compensate plaintiffs for the unauthorized
11 and illegal seizure of said personal property and the illegal
12 transfer of said real property.

13 WHEREFORE, plaintiffs, and each of them, pray for judgment
14 as follows:

15 AS TO THE FIRST CAUSE OF ACTION AGAINST BENT CORYDON, MARY
16 CORYDON and MARK LUTOVSKY:

17 1. For general damages in the sum of seven hundred fifty
18 thousand dollars (\$750,000), and special damages according to
19 proof at time of trial.

20 2. For punitive damages in the amount of seven hundred
21 fifty thousand dollars (\$750,000).

22 AS TO THE SECOND CAUSE OF ACTION AGAINST BENT CORYDON, MARY
23 CORYDON and MARK LUTOVSKY:

24 1. For a court order to defendants BENT CORYDON, MARY
25 CORYDON and MARK LUTOVSKY to account for any profits made from
26 self-dealing transactions.

27 2. For a court order to defendants BENT CORYDON, MARY
28 CORYDON and MARK LUTOVSKY to pay such profits to plaintiffs

MISSION and CHURCH.

3. For a court order to defendants BENT CORYDON, MARY CORYDON and MARK LUTOVSKY to pay to plaintiffs MISSION and CHURCH the value of the use of the property while it was wrongfully in the possession of said defendants.

4. For a court order to defendants BENT CORYDON, MARY CORYDON and MARK LUTOVSKY to return the real property unlawfully transferred from plaintiffs MISSION and CHURCH as a result of such self-dealing transactions by way of a cancellation of the Trust Deeds, Grant Deeds and Quitclaim Deeds, Exhibits "C" and "C-1," "D" and "D-1," and "E" and "E-1."

5. That defendants BENT CORYDON, MARY CORYDON and MARK LUTOVSKY be ordered to pay to plaintiffs MISSION and CHURCH an award of prejudgment interest to the extent allowed in Sections 3287 and 3288 of the Civil Code.

6. For punitive damages in the amount of seven hundred fifty thousand dollars (\$750,000).

AS TO THE THIRD CAUSE OF ACTION AGAINST BENT CORYDON, MARY CORYDON and MARK LUTOVSKY:

1. For a court order stating that the Deeds of Trust, Grant Deeds, and Quitclaim Deeds attached hereto as Exhibits "C" and "C-1," "D" and "D-1," and "E" and "E-1" are void and cancelling them.

2. For a Writ of Possession granting to plaintiffs MISSION and CHURCH the right of immediate physical possession and control of the real property.

/////

EXHIBIT A

1 AS TO THE FOURTH CAUSE OF ACTION AGAINST ALL DEFENDANTS:

2 1. For a judgment that plaintiffs MISSION and CHURCH are
3 the owners in fee simple of the property and that defendants
4 BENT CORYDON and MARY CORYDON have no interest in said property.

5 AS TO THE FIFTH CAUSE OF ACTION AGAINST ALL DEFENDANTS:

6 1. For general and special damages according to proof.
7 2. For punitive damages in an amount of one hundred
8 thousand dollars (\$100,000).

9 AS TO THE SIXTH CAUSE OF ACTION AGAINST ALL DEFENDANTS:

10 1. For the impression of a constructive trust upon any
11 property of the plaintiffs MISSION and CHURCH, including, but
12 not limited to, personal property, real property and bank
13 accounts.

14 AS TO THE SEVENTH CAUSE OF ACTION AGAINST ALL DEFENDANTS:

15 1. For a judicial determination of the rights and duties
16 of the plaintiffs.

17 2. For a declaration as to the rights, duties and
18 obligations of defendants, and each of them, in regard to the
19 possession of the personal property described in Paragraph 39
20 above and with reference to the real property described in
21 Paragraph 14 and the Trust Deeds, Grant Deeds and Quitclaim
22 Deeds attached hereto as Exhibits "C" and "C-1," "D" and "D-1,"
23 and "E" and "E-1."

24 3. For a judicial determination of the rights of the
25 plaintiffs and the corporate status of plaintiff MISSION.

26 4. For a declaration that the purported "merger" of
27 plaintiff MISSION into defendant CHURCH OF SCIOLOGOS was null
28 and void, and that plaintiff MISSION is and continues to be a

EXHIBIT A

1 valid, separate legal entity.

2 AS TO THE EIGHTH CAUSE OF ACTION AGAINST ALL DEFENDANTS:

3 1. For a preliminary and permanent injunction against
4 defendants, and each of them, enjoining said defendants from
5 further transfers of the real and personal property of
6 plaintiffs MISSION and CHURCH.

7 AS TO ALL CAUSES OF ACTION:

- 8 1. For costs of suit incurred herein.
9 2. For such other and further relief as the Court may
10 deem just and proper.

11
12 DATED: January 11, 1983

13
14 ROBERT N. HARRIS,
15 a Professional Corporation
16 TRABISH & PETERSON

17 BY: /s/ ROBERT N. HARRIS
18 ROBERT N. HARRIS
19 Attorneys for Plaintiffs
20
21
22
23
24
25
26
27
28

EXHIBIT. A

ARTICLES OF INCORPORATION

OCT 13 1982

By JAMES E. HARRIS
Deputy

Carolyn A. Ammon (mission name) Carolyn A. Ammon
Paul C. Taylor and Carolyn A. Ammon do hereby certify:
 (President) (Secretary)

1. That they are the duly elected and acting President and Secretary of (name) MISSION OF RIVERSIDE, a California Nonprofit Religious Corporation;

2. That the Articles of Incorporation of this Corporation are amended and restated to read as stated in Exhibit A attached hereto and included herein by this reference;

3. That the aforementioned Restated Articles of Incorporation of Church of Scientology Mission of (name) RIVERSIDE, consisting of 6 pages, constitutes the full, true and correct Restated Articles of Incorporation of said Corporation as adopted by unanimous vote of the Board of Trustees on the 4th day of OCTOBER, 1982; and
date month

4. That, the voting members being those persons who from time to time shall serve as the Directors of the corporation, this Restatement is adopted by the Board of Directors/Voting Members.

President
CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE
(mission name)

Carolyn A. Ammons
Secretary
CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE
(mission name)

The undersigned declare under penalty of perjury that the matters set forth in the foregoing certificate are true of their own knowledge.

Executed at RIVERSIDE, California on 4 OCT 1982.
(Location) (City) (date)

President

Carolyn A. Grimm
Secretary

EXHIBIT. A

EXHIBIT "A."

EXHIBIT A
RESTATED ARTICLES OF INCORPORATION
OF
CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE
(name)

Pursuant to Section 9620 of the California Nonprofit Religious Corporation Law (and in accordance with Section 5819 of the California Corporations Code) and as directed by unanimous vote of the Board of Trustees, the Articles of Incorporation of (name) CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE are hereby amended and restated as follows:

ARTICLES OF INCORPORATION
OF
CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE
(name)

ARTICLE ONE

Name of the Corporation

The name of the Corporation shall be CHURCH OF SCIENTOLOGY
MISSION OF RIVERSIDE. (name)

ARTICLE TWO

Duration of the Corporation

The duration of the Corporation shall be perpetual.

Restated Articles of Incorporation

ARTICLE THREE

Purpose of the Corporation

This Corporation is a religious corporation and is not organized for the private gain of any person. It is organized under the California Nonprofit Religious Corporation Law primarily and exclusively for religious purposes. Its purpose is to espouse, present, propagate, practice, ensure, and maintain the purity and integrity of the religion of Scientology, as the same has been developed and may be further developed by L.Ron Hubbard to the end that any person wishing to, and participating in, Scientology may derive the greatest possible good of the spiritual awareness of his Beingness, Doingness and Knowingness. More particularly, the Corporation is formed for the purpose of providing a corporate organization through which and by means of which the operations and activities of the Church, which as a church is subject to the ultimate ecclesiastical authority of Scientology Missions International, a Nonprofit Religious Corporation, and its respective successors in ecclesiastical authority, may be accomplished. More particularly, the Corporation is formed for the accomplishment, without limitation, of the following more specific purposes:

- a. To serve as a means of promulgating and administering the religious faith of Scientology; and
- b. To regulate and conduct religious services, including worship, for its parishioners; and
- c. To conduct religious and educational activities of various kinds; and
- d. To foster and enhance the spiritual welfare of its followers.

ARTICLE FOUR

Power of the Corporation and Limitations Thereon

In the conduct of its activities and the accomplishment of its purposes, the Corporation shall have, shall enjoy, and may exercise, to their fullest extent, all powers which Nonprofit Religious Corporations are permitted by law to have and to enjoy; PROVIDED HOWEVER, that:

a. The property of the Corporation is irrevocably dedicated to religious purposes, meeting the requirements for exemption provided by Section 214 of the Revenue and Taxation Code, and no part of the income or assets of the Corporation shall ever inure to the benefit of any private party or individual; and

b. No substantial part of the activities of the Corporation shall be devoted to attempts to influence legislation, by propaganda or otherwise, and the Corporation shall not participate or intervene, directly or indirectly, in any political campaign on behalf of or in opposition to any candidate for public office; and

c. The Corporation shall not carry on any activities not permitted to be carried on by an organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code of 1954, or successor statutes of similar import, nor shall the Corporation carry on any activities not permitted to be carried on by an organization exempt from California tax under Section 23701(d) of the Revenue and Taxation Code, as amended.

Restated Articles of Incorporation

d. The Corporation shall not carry on any activities not permitted to be carried on by a Corporation described in Section 170(c)(2), contributions to which are deductible under Section 170(a) of the Internal Revenue Code of 1954, or successor statutes of similar import.

ARTICLE FIVE

Initial Registered Agent

The Corporation's initial registered agent at the address of its registered office is omitted in this Restatement as required by Section 5819 of the Corporations Code.

ARTICLE SIX

Number, Names and Addresses of
Initial Directors of the Corporation

The number of Directors constituting the Corporation's Board of Directors shall be three (3). The names and addresses of the persons who are to serve as the Corporation's initial Directors are omitted in this Restatement as required by Section 5819 of the Corporations Code.

ARTICLE SEVEN

No Members of the Corporation

This Corporation shall have no members.

Restated Articles of Incorporation

ARTICLE EIGHT

Disposition of the Corporation's Assets
Upon Dissolution

In keeping with the religious purposes to which the Corporation's property is irrevocably dedicated, upon the winding up and dissolution of the Corporation, and after payment of, or adequate provision is made for, its debts and obligations, the Corporation's remaining assets shall be distributed to one or more nonprofit funds, foundations, trusts or corporations which are organized and operated exclusively for religious purposes, and which have established or are entitled to receive tax exempt status under Section 501(c)(3) of the Internal Revenue Code of 1954, or successor statutes of similar import, and which would then meet the requirements for exemption provided by Section 214 of the California Revenue and Taxation Code, as amended.

ARTICLE NINE

Amendment of the Corporation's
Articles of Incorporation

Notwithstanding any provision of the law permitting their amendment upon the affirmative act of less than all of the Corporation's incumbent Directors, the Articles of Incorporation of this Corporation may be amended only upon both the unanimous act of the Mission Holder (as defined in the Bylaws) and the unanimous vote of the Directors of the Corporation then incumbent.

Restated Articles of Incorporation

Authority to Adopt This Restatement

Pursuant to Article 10. of the Original Articles of Incorporation, and as there are no members entitled to vote, the Board of Trustees alone is entitled to adopt these Restated Articles of Incorporation amending the Original Articles of Incorporation, and no approval of any other person or persons is required.

* * * * *

BYLAWS
OF
CHURCH OF SCIENTOLOGY MISSION OF RIVERSIDE

(mission name)

(A Nonprofit Religious Corporation formed and operated
pursuant to the laws of the State of California)

PREAMBLE

The (name) MISSION OF RIVERSIDE (hereinafter referred to as "the Corporation"), an association of persons having incorporated exclusively for religious purposes under the laws of the State of California as the same relate to nonprofit religious corporations, does by these Bylaws prescribe the manner in which and the officers and agents by whom such purposes shall be accomplished.

ARTICLE I

The Church

The Corporation shall accomplish its purposes through and by means of the operations and activities of a church known as the "MISSION OF RIVERSIDE" and hereinafter referred to as "the Church".

The Church is and shall be one of the many churches within and without the United States which have been and will be organized for the purposes of the religion of Scientology, all bound together as elements of one international and hierarchical church by voluntary and self-determined agreement upon and adherence to the following:

1. The goals, tenets, doctrines, codes, Creed, policies and practices set forth in the Scriptures (as hereinafter defined); and

EXHIBIT A "B"

Bylaws of the church

2. Recognition of the ecclesiastical authority of the hierarchy of the Mother Church for Missions; and

3. Governance in ecclesiastical matters by said hierarchy.

The Directors, Officers and agents of the Corporation shall be bound by and shall observe the foregoing to the end that the operations and activities of this Corporation shall support and maintain the Church as a church of Scientology in good standing with the Mother Church for Missions; subject, however, at all times and in every respect to the paramount requirement of observance of and compliance with all applicable laws, and the provisions of the Articles and of these Bylaws.

ARTICLE II

Definition of Terms

As they are used in these Bylaws:

a. "Articles" shall mean the Articles of Incorporation of this Corporation filed on 4 Oct 1982, as may be amended from time to time.

(date)

b. "Bylaws" shall mean the code of rules prescribed herein, which are subordinate in authority to the Corporation's Articles and which are to be used, adopted and recognized for the regulation and management of the affairs of the Corporation.

c. "Religion of Scientology" and "Scientology" shall mean the religious doctrines, beliefs, tenets, practices, applied religious philosophy and technology for its application as developed by L. Ron Hubbard and as the same may hereafter be developed by L. Ron Hubbard.

Bylaws of the church

d. "Scriptures" shall mean the writings and recorded spoken words of L. Ron Hubbard with respect to Scientology and organizations formed for the purposes thereof.

e. "Mother Church for Missions" and "hierarchy of the Mother Church for Missions" shall mean the ecclesiastical hierarchy presently organized and operating under the aegis of Scientology Missions International, a Nonprofit Religious Corporation, and its respective successors in ecclesiastical authority, and shall not mean or be construed to mean or refer to said Nonprofit Religious Corporation.

f. "Mission Holder" shall mean that individual entrusted by the Mother Church for Missions and the Church with the communication and dissemination of the Scriptures to this Church for the Parish and the handling of all other ecclesiastical matters.

g. "Parish" shall mean that geographical area for which this Church has been Chartered by the Mother Church for Missions and the population thereof.

h. "Notice" shall mean written notice actually received by the prescribed recipient not less than three (3) days prior to the event of which notice is given, written notice actually delivered to the prescribed recipient not less than three (3) days prior to the event of which notice is given, or written notice mailed to the prescribed recipient of the notice, by first class mail, not less than five (5) days prior to the event of which notice is given.

i. "Mailed" shall mean deposited in the United States mail, postage prepaid, addressed according to the records of the Corporation.

j. Unless the context in which they are used clearly requires otherwise, terms denoting number shall include both the singular and the plural, and terms denoting gender shall include all of the masculine, the feminine, and the neuter.

Bylaws of the church

ARTICLE III

Purposes

The Corporation shall espouse, present, propagate, practice, ensure and maintain the purity and integrity of the religion of Scientology, as the same has been developed and may be further developed by L. Ron Hubbard to the end that any person desiring participation, or participating, in Scientology may derive the greatest possible good of increased awareness as an immortal spirit.

It is the belief of the Church that Scientology is the organization of the fundamentals of existence into axioms and workable technologies in the tradition of the exact sciences for resolving problems of life and thought and for the freedom of the human spirit. That he who asks a question is closest to the answer, that every question contains its own answer, and further that every problem contains its own solution, and that the technologies of Scientology are of such a nature that a person with a question or a problem may be spiritually assisted or guided to the end that the person is able to answer his own questions and resolve his own problems. Scientology Technology is a body of truths and methods of application, developed by L. Ron Hubbard from his observations and research, which when correctly applied can reveal the soul of man, extend his knowledge of the Infinite Being to him, and make known what is knowable about God.

Believing that man's best evidence of God is the God he finds within himself, and trusting with enduring faith that the Author of the Universe intended life to thrive within it, the Corporation is founded with the following general goals:

- a. Establishment of a religious body and entity in its Parish to promote, protect, administer and encourage the religion of Scientology and its goals;
- b. Foundation, construction and use of a church, establishments, tutorial

Bylaws of the church

schools, parsonages, centers of training and other centers in its Parish, for the teaching, dissemination and administration of the religion of Scientology, which aspires to the religious and ethical guidance and improvement of the individual character, and also to better and clarify the human spirit;

c. Publication and distribution of religious literature and other sectarian aids in order to propagate and disseminate Scientology;

d. Establishment of religious cultural centers; and

e. Minister to the spiritual needs of the parishioners and congregants of the Church through the conduct of services, both group and individual.

ARTICLE IV

Creed

The Church subscribes, and its object is and purposes are that all of Mankind may subscribe to and practice the following Creed:

We of the Church believe:

That all men of whatever race, color or creed were created with equal rights.

That all men have inalienable rights to their own religious practices and their performance.

That all men have inalienable rights to their own lives.

That all men have inalienable rights to their sanity.

That all men have inalienable rights to their own defense.

That all men have inalienable rights to conceive, choose, assist and support their own organizations, churches and governments.

That all men have inalienable rights to think freely, to talk freely, to write freely their own opinions and to counter or utter or write upon the opinions of others.

That all men have inalienable rights to the creation of their own kind.

That the souls of men have the rights of men.

That the study of the mind and the healing of mentally caused ills should not be alienated from religion or condoned in nonreligious fields.

And that no agency less than God has the power to suspend or set aside these rights, overtly or covertly.

Bylaws of the church

And we of the Church believe

That man is basically good.

That he is seeking to survive.

That his survival depends upon himself and upon his fellows, and his attainment of brotherhood with the Universe.

And we of the Church believe that the laws of God forbid Man

To destroy his own kind

To destroy the sanity of another

To destroy or enslave another's soul

To destroy or reduce the survival of one's companions or one's group.

And we of the Church believe

That the spirit can be saved and

That the spirit alone may save or heal the body.

ARTICLE V

Membership

Section 1. Classification. The Corporation shall have no members. It shall instead have parishioners who shall not be entitled to vote.

Section 2. Purpose of Affiliation. The Church believes that a person participating in the spiritual exercises of the Church may profit to such an extent that the person may become aware of his spiritual nature, capable of self determination, self discipline and a realization of his creative abilities; thus ordinary problems of life should be easily resolved or be of little or no concern. Therefore, such a person would be better able to contribute to the welfare of his fellow man, Society and the Nation. Such a state of Beingness of Mankind is the goal of the Church.

The Church further believes that man's attainment of advanced levels of spiritual awareness frees the spirit from the mind and body giving the spirit immortality. This in turn will increase life and livingness while diminishing the influence of death or death like factors which act as stops and distractions to life.

Bylaws of the church

During the term of affiliation with the Church, the parishioners shall agree to abide by the Scriptures, especially the Creed, Auditor's Code and the Scientology Code of Honor.

ARTICLE VI

Mission Holder

Section 1. Purpose. The Mission Holder shall be designated by the Board of Directors to liaise with the Mother Church for Missions. The Mission Holder is, and shall at all times be, the most senior ecclesiastical authority of the Church and shall govern at all times in matters ecclesiastical. In addition the Mission Holder shall annually select and appoint Directors, which (including those duties described in Article VII herein) shall be his sole secular duty.

Section 2. Qualifications. A Mission Holder shall possess and continue to possess the following qualifications:

- a. Well-versed in the Scriptures;
- b. Well-versed in the Scientology Ethics and Justice System;
- c. In Good Standing (as that term is defined in the Scriptures) with the Mother Church for Missions.

Section 3. Death, Resignation or Disqualification.

In the event the Mission Holder dies, resigns or becomes disqualified for failure to continue to meet the qualifications set forth in Section 2 of this Article VI, the post of Mission Holder shall be filled by the next most senior ecclesiastical post in the Church. Should the vacancy not be filled within ten (10) days of its occurrence, then such post shall be filled by the senior ecclesiastical post in the Mother Church for Missions.

ARTICLE VII

Board of Directors

Section 1. Function and Authority of the Board

a. Generally. The activities and affairs of the Corporation, as distinguished from the ecclesiastical affairs of the Church, shall be managed and conducted, and all corporate powers shall be exercised, by or under the direction of a Board of Directors ("Board"), consisting of three (3) natural persons. The authorized number of Directors may be changed by a bylaw amending this Section 1(a) duly adopted by the unanimous vote of the then authorized Director, or Directors. The Board in general shall have all applicable powers conferred, permitted, or authorized by law as directors of a nonprofit religious corporation, including the power to purchase, lease, encumber by mortgage or deed of trust, sell, pledge and convey property of the Corporation, and to borrow funds for the use and benefit of the Corporation. The Board shall have access at all times to the books and records of the Corporation.

b. Particular Functions. More particularly, and without limiting its power and authority in general, the Board may, in its sole discretion:

i. Borrow money and incur indebtedness on behalf of the Corporation, and cause to be executed and delivered therefor, in the corporate name, promissory notes, bonds, debentures, deeds of trusts, mortgages, pledges, hypothecations, or other evidences of debt and securities therefor;

ii. Make and perform such contracts as are necessary or convenient to attain or further the purposes and objects of the Corporation, as set forth in the Articles and in these Bylaws;

iii. Delegate to the Corporation's officers, or to other agents, regular and special duties of the Board, the delegation of which is permitted by law and consistent with the Articles;

iv. Publish and disseminate books, periodicals, pamphlets, tracts,

Bylaws of the church

sermons, films, tapes and pictures in furtherance of the purposes of the Corporation; and

v. Change the principal office of the Corporation from one location to another within its Parish, and establish and locate subsidiary offices of the Corporation within its Parish.

c. Special Duty of the Board. It shall be a special duty of the Board to assure:

i. That no part of the net earnings of the Corporation inures to the benefit of any person;

ii. That no substantial part of the activities of the Corporation are directed to influencing legislation by propaganda or otherwise;

iii. That the Corporation and its agents refrain from participation or intervention in any political campaign on behalf of or in opposition to any candidate for public office;

iv. That the property, assets and net income of the Corporation remain irrevocably dedicated to charitable and religious purposes; and

v. That, upon the dissolution or winding up of the Corporation, its assets remaining after payment of or provisions for payment of all debts and liabilities of the Corporation are distributed to a nonprofit fund, foundation, or corporation which is organized and operated primarily and exclusively for charitable and religious purposes, and which is exempt from general income taxation as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1954, as amended and Section 23701(d) of the Revenue and Taxation code, as amended.

Section 2. Selection and Tenure of Directors

a. Selection. Directors shall be selected annually by the Mission Holder. The Mission Holder shall fill all vacancies on the Board. A Director shall hold office for one year or until his successor is selected by the Mission Holder. A Director may serve a number of consecutive terms.

b. Compensation. A Director shall receive no compensation for his

Bylaws of the church

service as a Director, but shall be entitled to reimbursement for expenses incurred on behalf of the Corporation; whether or not such expenses are incurred in his capacity as a Director.

c. Qualifications. In order to serve as a Director and in order to continue to serve as a Director, each Director shall be a person who possesses and continues to possess the following qualities and attributes. That is to say, a person may serve and continue to serve as a Director only so long as he is and remains:

- i. Well-versed in the Scriptures;
- ii. Well-versed in the Scientology Ethics and Justice system;
- iii. In Good Standing with the Mother Church for Missions; and
- iv. Has attained the age of majority.

d. Removal. Upon affirmative action of the Mission Holder, a director may be removed on the following grounds:

- i. Failure to continue to meet the qualifications set forth in subparagraphs (i) through (iii) of subsection (c) above;
- ii. Failure to exercise the duties of a Director in pursuance of the goals, aims and purposes of the Corporation, the Church and Scientology, as set forth in Articles I through IV of these Bylaws.

Section 3. Meetings of Directors.

a. Call of Special Meetings. Special meetings of the Board may be called by any Director or by the President.

b. Notice. Notice of all special meetings of the Board, or of an annual meeting to be held at a time or place other than a time or place fixed by resolution of the Board, shall be given to each Director.

c. Waiver of Notice. Transactions of any meeting of the Board, however called, however noticed, and wherever held, are as valid as though

Bylaws of the church

adopted at a meeting duly held after regular call and notice if a quorum is present and if, either before or after the meeting, each Director not present signs a written waiver of notice and consent to the holding of such meeting. A Director shall be deemed to have waived notice and consented to the holding of a meeting if he votes to approve the minutes thereof or signs a copy of the minutes. All such waivers or consents shall be filed with the minutes of meetings of the Board. Notice of a meeting shall also be deemed given to any Director who attends a meeting without protesting, before or at its commencement, the lack of proper notice to him.

d. Quorum. A majority of the Directors authorized shall constitute a quorum of the Board for transaction of business or for taking of action which may be taken with less than unanimous consent of all Directors.

e. Adjournment. A majority of the Directors present, whether or not a quorum is present, may adjourn any Board meeting to another time and place. Notice of the time and place of holding an adjourned meeting need not be given to absent Directors if the time and place be fixed at the meeting adjourned.

f. Regular, Annual and Special Meetings. Meetings of the Board shall be held no less often than annually. Meetings designated as annual meetings shall be held in the month of June of each year. Meetings other than annual meetings shall be called regular meetings or special meetings. The time and place of annual meetings may be fixed by unanimous resolution of the Board and, once so fixed, shall not be subject to the notice requirements of subsection (b).

g. Use of Conference Telephones. The Board may meet through the use of conference telephone facilities or similar communication equipment, so long as all those participating in the meeting can hear and address one another.

h. Action without a Meeting. Any action required or permitted to

Bylaws of the church

be taken by the Board may be taken without a meeting if each Director consents in writing to that action. Such action by written consent shall have the same force and effect as a unanimous vote of the full Board. Such written consent or consents shall be filed with the minutes of the meetings of the Board.

ARTICLE VIII

Officers of the Corporation

Section 1. Required Officers. Officers of the Corporation, as distinguished from ecclesiastical posts, shall be elected by majority vote of the Board, and shall include a President, a Secretary, and a Treasurer, each of whom shall serve at the pleasure of the Board. Each of said offices may be held by a person who is also a Director. The Board may elect the same person to the offices of Secretary and Treasurer. Neither the Secretary nor the Treasurer shall concurrently serve as President of the Corporation.

Section 2. Optional Officers. The Board may elect one or more Vice-Presidents, and one or more Assistant Secretaries and Assistant Treasurers and such other subordinate officers as the Board shall from time to time deem appropriate.

Section 3. Duties of Officers.

a. The President shall have general supervisory responsibility for the business affairs of the Corporation. In addition, he shall perform all other acts and duties which the Board shall direct. The President shall be the Chief Executive Officer of the Corporation, to whom other officers and their agents shall report and be responsible for the proper performance of their duties.

b. The Vice-President, if any, shall carry out such duties on behalf of the Corporation as may be assigned to him by the Board or by the President. In the absence or disability of the President, the duties of the

Bylaws of the church

President shall be discharged by the Vice-President.

c. The Treasurer shall be the Chief Financial Officer of the Corporation and shall have custody of its corporate funds, books and financial records. The Treasurer shall have authority to receive and accept money, collect debts, open bank accounts, and make disbursements in the name of the Corporation. The Treasurer shall keep or cause to be kept proper books of account reflecting all business done by the Corporation and of all monies received and disbursed, and shall prepare or cause to be prepared financial statements at the request of the Board. The Treasurer shall deposit all money and other valuables in the name and to the credit of the Corporation, with such depositories as may be designated by the Board. The Treasurer shall disburse funds of the Corporation at the direction of the Board. The Treasurer shall, whenever requested to do so by the President or Board, account for all transactions engaged in or authorized by him as Treasurer.

d. The Assistant Treasurer, if any, shall carry out such duties on behalf of the Corporation as may be assigned or delegated to him by the Board, by the President, or by the Treasurer. In the absence or disability of the Treasurer, the Assistant Treasurer shall discharge the duties of the Treasurer.

e. The Secretary shall keep or cause to be kept a book of minutes of all meetings of the Board and of the meetings of any committee for which the Board requires that minutes be kept. The Secretary shall keep or cause to be kept, at the principal office of the Corporation, a copy of these Bylaws. The Secretary shall keep the seal of the Corporation and shall attest all certificates or other legal documents requiring certification on behalf of the Corporation. The Secretary shall record all actions of the Mission Holder taken in regards to the Board as described in these Bylaws.

f. The Assistant Secretary, if any, shall carry out such duties on behalf of the Corporation as may be assigned or delegated to him by the Board, by the President, or by the Secretary. In the absence or disability of the Secretary, the Assistant Secretary shall discharge the duties of the Secretary.

Section 4. Execution of Contracts. Contracts, instruments of conveyance or encumbrance, or other obligations of the corporation may be executed and delivered on behalf of the Corporation by any two (2) officers of the Corporation unless the Board provides otherwise by resolution.

ARTICLE IX

Liability of Directors and Officers

Directors, Officers, and other agents of the Corporation, and the property of such persons, shall not be subject to or chargeable with payment of Corporation debts or obligations.

ARTICLE X

Ministers and Affiliation

Section 1. Code of Conduct. This Church shall ask and require from its ordained ministers conformity with the following minister's code (known as the Scientology Auditor's Code), relating to the spiritual ministration to, and guidance of, all parishioners and confessants:

I HEREBY PROMISE AS AN AUDITOR TO FOLLOW THE AUDITOR'S CODE

1. I promise not to evaluate for the preclear or tell him what he should think about his case in session.
2. I promise not to invalidate the preclear's case or gains in or out of session.
3. I promise to administer only Standard Tech to a preclear in the standard way.
4. I promise to keep all auditing appointments once made.
5. I promise not to process a preclear who has not had sufficient rest and who is physically tired.
6. I promise not to process a preclear who is improperly fed or hungry.
7. I promise not to permit a frequent change of auditors.

Bylaws of the church

8. I promise not to sympathize with a preclear but to be effective.
9. I promise not to let the preclear end session on his own determinism but to finish off those cycles I have begun.
10. I promise never to walk off from a preclear in session.
11. I promise never to get angry with a preclear in session.
12. I promise to run every major case action to a floating needle.
13. I promise never to run any one action beyond its floating needle.
14. I promise to grant beingness to the preclear in session.
15. I promise not to mix the processes of Scientology with other practices except when the preclear is physically ill and only medical means will serve.
16. I promise to maintain communication with the preclear and not to cut his comm or permit him to overrun in session.
17. I promise not to enter comments, expressions or enturbulence into a session that distract a preclear from his case.
18. I promise to continue to give the preclear the process or auditing command when needed in the session.
19. I promise not to let a preclear run a wrongly understood command.
20. I promise not to explain, justify or make excuses in session for any auditor mistakes whether real or imagined.
21. I promise to estimate the current case state of a preclear only by Standard Case Supervision data and not to diverge because of some imagined difference in the case.
22. I promise never to use the secrets of a preclear divulged in session for punishment or personal gain.
23. I promise to never falsify work-sheets of sessions.
24. I promise to see that any donation received for processing is refunded following the policies of the Claims Verification Board, if the preclear is dissatisfied and demands it within three months after processing, the only condition being that he may not again be processed or trained.
25. I promise not to advocate Dianetics or Scientology only to cure illness or only to treat the insane, knowing well they were intended for spiritual gain.
26. I promise to cooperate fully with the authorized organizations of Dianetics and Scientology in safeguarding the ethical use and practice of those subjects.
27. I promise to refuse to permit any being to be physically injured, violently damaged, operated on or killed in the name of "mental treatment".
28. I promise not to permit sexual liberties or violations of patients.
29. I promise to refuse to admit to the ranks of practitioners any being who is insane.

Section 2. Terminations. Affiliation with the Church, certifications, or other special dispensations, or recognitions, shall terminate, by direction of the

Bylaws of the church

Board, for the following causes

- a. Death,
- b. Resignation,
- c. Actions deemed contrary to the principles, purposes, aims, code, ecclesiastical letters, policies, covenants, agreements, the Bylaws of this Corporation and Scientology.

Section 3. Return of Property. Upon any termination, pursuant to Section 2 of this Article X, then the person whose status has been terminated shall be required immediately to return to the Corporation or Church any and all real and personal property issued to such person by this Corporation or Church.

Section 4. Discretion of the Board. Pursuant to the Scriptures, particularly the Ethics and Justice system of Scientology, affiliation may be denied or revoked for cause deemed to be sufficient by the Board in their sole discretion.

ARTICLE XI

Principal Office

The Corporation's principal office shall be located at such place, within the State of California and within the Church's Parish, as a majority of the Board may, in its discretion, determine from time to time.

ARTICLE XII

Seal

The Corporation shall have a seal, the form of which shall be determined and adopted by the Board.

ARTICLE XIII

Amendments

Unless otherwise provided in these Bylaws, these Bylaws may be amended or repealed and new Bylaws adopted by unanimous vote of the Board; provided that amended Bylaws or new Bylaws do not jeopardize the tax-exempt status of this Corporation, do not alter the purposes of this Corporation or the qualifications required of its Directors, and do not contravene the Scriptures.

CERTIFICATION

We, the undersigned, do hereby certify:

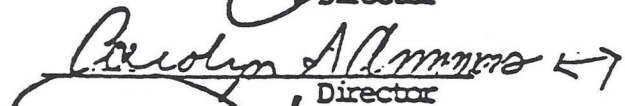
1. That we are the Directors of (name) MISSION OF RIVERSIDE, a non profit religious corporation incorporated under the laws of the State of California; and

2. That the foregoing Bylaws constitute the Bylaws of said Corporation, as duly adopted at a meeting of the Directors of said Corporation, held on the 4 th day of OCTOBER, 1982.
(day) (month)

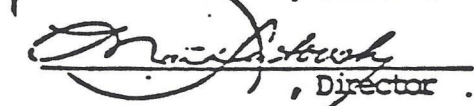
IN WITNESS WHEREOF, we have hereunto subscribed our names
this 4th day of OCTOBER, 1982.
(day) (month)



Director



Director



Director

2039

Church of Scientology
Bank California
2000 Pranda
Riverside, Ca 92504

RECEIVED
J. L. M. P. V.
NOV 1982

SPACE ABOVE THIS LINE FOR RECORDERS USE
(INDIVIDUAL) ALL INCLUSIVE

SHORT FORM DEED OF TRUST AND ASSIGNMENT OF RENTS (INDIVIDUAL) ALL INCLUSIVE

This Deed of Trust, made this 19th day of November, 1982

Bert Corydon a married man

whose address is 2390 Pranda, Riverside, California 92504

Title Insurance and Trust Company, a California corporation, herein called Trustor, and Church of Scientology, Mission of Riverside

Witnesseth: That Trustor has hereby conveyed and assigns to Trustee in Trust, with power of sale, that portion of Block 7, Range 4 of the Town of Riverside, as shown by Map on file in Book 7, page 17 of Maps, San Bernardino County Records, described as follows: Beginning at the Southwesterly corner of said Block; thence Easterly on the Northerly line of Eight Street, 185 feet; thence Northerly, parallel with the Easterly line of Lemon Street, 185 feet to the Southerly line of an alley; thence Easterly on the Southerly line of said alley, 185 feet to the Easterly line of Lemon Street; thence Southerly on the Easterly line of Lemon Street, 185 feet to the point of beginning. This Deed of Trust is given to secure the payment of a portion of the purchase price of the herein described property and is all inclusive as per Exhibit A attached hereto and made a part hereof.

TO HAVE WITH the said, money and power thereof, M. RICH F. MURPHY, in the right, power and action given to and conferred upon Trustee by paragraph 1 of the provisions incorporated herein by reference to collect and apply such money and power.

For the Purpose of Securing: 1. Performance of each agreement of Trustor incorporated in entirety or contained herein. 2. Payment of the indebtedness evidenced by one promissory note of even date herewith, and any extension or renewal thereof, in the principal sum of \$110,000.00 secured by Trustor in favor of Trustee in order. 3. Payment of such further sums as the three county parties of said property hereafter may become from hereafter, when evidenced by another note on terms recorded in or against.

To Protect the Security of This Deed of Trust, Trustor agrees in the counties and districts on the third of line and the fourth of line hereon, and in all other counties and districts, on the third of line and the fourth of line hereon, to file in the public records of each county a list of the parcels of land owned by Trustor in each county, and to file in the public records of each county a list of the parcels of land owned by Trustor in each county, and to file in the public records of each county a list of the parcels of land owned by Trustor in each county.

COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE	COUNTY	BOOK	PAGE
Alameda	435	484	Alameda	772	823	Alameda	975	381
Alameda	1	258	Alameda	363	39	Alameda	151	5
Alameda	104	305	Alameda	177	471	Alameda	3085	523
Alameda	1146	152	Alameda	7264	99	Alameda	4331	63
Alameda	146	152	Alameda	808	179	Alameda	571	253
Alameda	706	477	Alameda	1388	229	Alameda	5847	64
Alameda	7778	47	Alameda	77	792	Alameda	6323	98
Alameda	78	414	Alameda	379	130	Alameda	6470	211
Alameda	368	456	Alameda	1047	130	Alameda	1151	19
Alameda	435	373	Alameda	104	551	Alameda	4079	439
Alameda	437	537	Alameda	52	159	Alameda	1079	209
Alameda	1007	391	Alameda	2104	238	Alameda	1276	341
Alameda	109	508	Alameda	439	86	Alameda	1451	494
Alameda	2027	65	Alameda	306	238	Alameda	686	330
			Alameda	1007	611	Alameda		

which shall be a list of all parcels of land owned by Trustor in each county, and shall be filed in the public records of each county, and shall be filed in the public records of each county, and shall be filed in the public records of each county.

STATE OF CALIFORNIA

COUNTY OF RIVERSIDE
I, Notary Public, do hereby certify that the within and foregoing instrument was duly executed by Bert Corydon on the 19th day of November, 1982.

Notary Public
Virginia E. Palmer

Title Order No.

Form of Loan No.

EXHIBIT A

(See reverse for Proof of Service)

SUMMONS

76S188 (Rev. 1-79) PS 8-81 CCP 412.20, 412.30, 415.10

EXHIBIT A

20:11:53
This is an All Inclusive Deed of Trust securing a Note for \$110,000.00 and is subject and subordinate to:

A First Deed of Trust now of record securing a Note in favor of James F. Davidson, Jr., a married man, as his separate property, as to an undivided 1/3 int.; Arthur F. Hammer, a married man as his separate property, as to an undivided 1/3 int.; and Howard E. Hays, Jr., a married man as his separate property, as to an undivided 1/3 int., with an unpaid principal balance owing of approximately \$17,764.02.

Should the within Beneficiary default in payment of any obligation or breach any covenant of any prior encumbrances to which this Deed of Trust is subject and subordinate, the Trustor herein may make said payments, including late charges, penalties and/or advances direct to the Beneficiary thereof. In the event the Beneficiary hereunder, his heirs, or assigns, have filed bankruptcy, Trustor may make all payments due hereunder direct to the holder(s) of prior encumbrance(s) and any and all payments so made shall be credited against the installments due on the note(s) secured hereby.

Beneficiary agrees that in the event of foreclosure of this All Inclusive Deed of Trust, he shall at the Trustee's sale bid an amount representing the amount then due upon the obligation or obligations, including late charges, penalties and/or advances, secured hereby, less the then actual total balance due upon any obligation(s), including late charges, penalties and/or advances, secured by any and all Deeds of Trust having priority over this All Inclusive Deed of Trust and covering the within described real property or any portion thereof, plus any advances or other disbursement(s) which Beneficiary, his successors or assigns, may by law be permitted to include in this bid. After issuance of a Trustee's Deed, by reason of a foreclosure action instituted on this Deed of Trust, all covenants and agreements contained in this All Inclusive language shall cease as between the parties hereto.

END RECORDED DOCUMENT

W. J. F.

2025

and such persons as to
 Charles F. ...
 Don L. ...
 2316 ...
 ... Co. ...

DEED OF TRUST AND ASSIGNMENT OF RENTS ALL INCLUSIVE

BY THIS DEED OF TRUST, made this 19th day of November 1982 between
 Earl Corydon, a married man
 hereinafter called Trustor, whose address is
 2390 Frenda, Riverside, Ca. 92504
 and
 SAFFCO TITLE INSURANCE COMPANY, a California corporation, hereinafter called Trustee, and
 Church of Scientology, Mission of Riverside

A portion of Block 7, Range 8, as shown by map of the TOWN OF RIVERSIDE (MORE FULLY DESCRIBED ON EXHIBIT "A", ATTACHED HERETO AND MADE A PART HEREOF)

This Deed of Trust is given to secure the payment of a portion of the purchase price of the herein described property and is all inclusive as per EXHIBIT "A" attached hereto and made a part hereof.

Transfer also concerns the recovery of lost wages and profits of your really recovering the right to collect and use the assets
of the company, and the recovery of the assets of the company, and the recovery of the assets of the company, and the recovery of the assets of the company.

[illegible]

COUNTY	Book	Page	COUNTY	Book	Page	COUNTY	Book	Page
Alameda	2548	88	Kings	1010	294	Frank	1325	648
Alpine	18	753	Lake	742	332	Franklin	227	573
Amador	235	25	Los Angeles	7312	737	Butterfield	1973	139135
Bum	1876	678	Madera	1176	254	San Bernardino	721225	18
Calaveras	363	92	Marietta	2736	422	San Diego	284	94
Colusa	479	327	Mariposa	213	717	San Francisco	6234	377
Contra Costa	367	178	Monterey	942	242	San Jose	3429	8
Del Norte	1723	384	Moraga	1940	268	San Luis Obispo	1750	491
El Dorado	6277	411	Muskegon	273	513	San Mateo	6281	628
Fresno	363	240	Napa	877	243	San Mateo	6281	628
Gila	1213	31	Nevada	823	36	San Mateo	6281	628
Humboldt	1235	81	Orange	643	283	San Mateo	6281	628
Inyo	6620	231	Orange	1081	283	San Mateo	6281	628
Kern						San Mateo	6281	628

Unemployed	1217	621	Peru	645	363	Shawnee	15	1970	428
Impoverished	220	640	Peru	645	363	Shawnee	15	1970	428
Boys	6420	2251	Orange	18941	348	Shawnee	15	1970	428

Received
 November 23, 1912
 Bert Corbion

Beat Coeydon

FOR NOTARY SEAL OR STAMP

Agencia en Buenos

CA 27 (1973) 279

EXHIBIT A

EXHIBIT "C-1"

EXHIBIT "A"

In the City of Riverside, County of Riverside, State of California, and described as follows:

Commencing at the Southeast corner of Block 7, Range 3, as shown by Map of the CITY OF RIVERSIDE, recorded in Book 7, page 17 of Maps, records of San Bernardino County, California:

Thence Westerly along the Northerly line of University Avenue (formerly Eight Street), 109 feet;

Thence at a right angle Northerly and parallel with the Westerly line of Lemon Street, 50 feet;

Thence at a right angle Westerly and parallel with the Northerly line of University Avenue (formerly Eight Street), 56 feet;

Thence at a right angle Northerly and parallel with the Westerly line of Lemon Street, 80 feet;

Thence at a right angle Easterly and parallel with the Northerly line of University Avenue (formerly Eight Street), 163 feet to the Westerly line of Lemon Street;

Thence Southerly along the Westerly line of Lemon Street, 130 feet to the point of beginning.

EXHIBIT "B"

This is an All Inclusive Deed of Trust securing a Note for \$110,000.00 and is subject and subordinate to:

A First Deed of Trust now of record securing a Note in favor of Harold M. Fagin and Marcia Anne Fagin, husband and wife as joint tenants, with an unpaid principal balance of approximately \$38,000.00.

Should the within Beneficiary default in payment of any obligation or breach any covenant of any prior encumbrances to which this Deed of Trust is subject and subordinate, the Trustor herein may make said payments, including late charges, penalties and/or advances direct to the Beneficiary thereof. In the event the Beneficiary hereunder, his heirs, or assigns, have filed bankruptcy, Trustor may make all payments due hereunder direct to the holder(s) of prior encumbrance(s) and any and all payments so made shall be credited against the installments due on the note(s) secured hereby.

Beneficiary agrees that in the event of foreclosure of this All Inclusive Deed of Trust, he shall at the Trustee's sale bid an amount representing the amount then due upon the obligation or obligations, including late charges, penalties and/or advances, secured hereby, less the then actual total balance due upon any obligation(s), including late charges, penalties and/or advances, secured by any and all Deeds of Trust having priority over this All Inclusive Deed of Trust and covering the within described real property or any portion thereof, plus any advances or other disbursement(s) which Beneficiary, his successors or assigns, may by law be permitted to include in this bid. After issuance of a Trustee's Deed, by reason of a foreclosure action instituted on this Deed of Trust, all covenants and agreements contained in this All Inclusive language shall cease as between the parties hereto.

END RECORDED DOCUMENT

EXHIBIT A

Post Corridor
2397 Prenda
Riverside, Ca. 92504

RECEIVED FOR RECORD
S.A. Min. Pub. 77, State C.M.
Book 1943, Page

NOV 23 1982

Walter Family
Post

SPACE ABOVE THIS LINE FOR RECORDER'S USE

GRANT DEED

DOCUMENTARY TRANSFER TAX \$137.50

☐ computed on full value of property conveyed, or
☒ computed on full value less liens and
encumbrances remaining at time of sale

Walter Family
Signature of Grantor and Agent, Authorizing Sale

FOR VALUABLE CONSIDERATION, receipt of which is acknowledged (We), Church of Scientology

Mission of Riverside

grant Post Corridor, a married man as his separate property

a. that all property situated in the City of Riverside

in an unincorporated area of Riverside County, California

described as follows (insert legal description)

That portion of Block 7, Range 4 of the Town of Riverside, as shown by Map on file in Book 7, page 17 of Maps, San Bernardino County Records, described as follows:
Beginning at the Southwesterly corner of said Block; thence Easterly on the Northerly line of Eight Street, 165 feet; thence Northerly, parallel with the Easterly line of Lemon Street, 125 feet to the Southerly line of an alley; thence Westerly on the Southerly line of said alley, 185 feet to the Easterly line of Lemon Street; thence Southerly on the Easterly line of Lemon Street, 125 feet to the point of beginning.

WITNESSES

3rd Nov 82 Riverside Calif
[Signature]
[Signature]

STATE OF CALIFORNIA

Riverside
Call me 23172
Post Corridor
Mark F. [illegible]

[Signature]
VIRGINIA M. BOHLEN

NOTARY PUBLIC
JANUARY 1982

This document was recorded and indexed in the Public Records Office of the County of Riverside, California, on November 23, 1982, at 1:00 PM. The fee for recording this document was \$137.50. The fee for indexing this document was \$13.75. The total fee for recording and indexing this document was \$151.25.

END RECORDED DOCUMENT

EXHIBIT A

EXHIBIT D

AND WHEN RELEASED MAN, THIS DEEP AND LITTLE OTHER
WING SHOWN BELOW MAN, THE STATEMENTS TO

RECEIVED FOR RECORD
JUN 11 1964

NOV 23 1982

Printed at the Press of
J. J. & S. Co.

WAGGON

Tube (number) 12

From the

SPACE ABOVE THIS LINE FOR RECORDERS USE

EXHIBIT. A

Text:

2016102

EXHIBIT "A"

In the City of Riverside, County of Riverside, State of California, and described as follows:

Commencing at the Southeast corner of Block 7, Range 5, as shown by Map of the TOWN OF RIVERSIDE, recorded in Book 7, page 17 of Maps, records of San Bernardino County, California;

Thence Westerly along the Northernly line of University Avenue (formerly Eight Street), 109 feet;

Thence at a right angle Northernly and parallel with the Westerly line of Lemon Street, 50 feet;

Thence at a right angle Westerly and parallel with the Northernly line of University Avenue (formerly Eight Street), 56 feet;

Thence at a right angle Southernly and parallel with the Westerly line of Lemon Street, 50 feet;

Thence at a right angle Easterly and parallel with the Northernly line of University Avenue (formerly Eight Street), 165 feet, to the Westerly line of Lemon Street;

Thence Southernly along the Westerly line of Lemon Street, 130 feet to the point of beginning.

EXHIBIT A

END RECORDED DOCUMENT

208187

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SHOWN BELOW, MAIL TAX STATEMENTS TO:

Bent Corydon
2390 Prenda Ave
Riverside California. 92504

RECEIVED FOR RECORD
208187
DEC 1 1982
Book 1982, Page 208187

DEC 1 1982

Recorded in Official Records
of Riverside County, California

William J. Pomeroy
Recorder

This Order No. _____ Exemptions No. _____

SPACE ABOVE THIS LINE FOR RECORDER'S USE

QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX

- ☐ computed on full value of property conveyed, or
- ☐ computed on full value less value of liens and encumbrances remaining at the time of sale.

Signature of Officer and of Agent, Commencing Tax

Form 862

THE UNDERSIGNED GRANTOR(S) DECLARE(S) FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

hereby remise, release and forever quitclaim to

Bent Corydon.

the following described real property in the

County of Riverside

State of California:

That portion of Block 7, Range 4 of the Town of Riverside, as shown by Map on file in Book 7, page 17 of Maps, San Bernardino County Records, described as follows:

Beginning at the Southwesterly corner of said Block; thence Easterly on the Northerly line of Eight Street, 185 feet; thence Northerly, parallel with the Easterly line of Lemon Street, 185 feet to the Southerly line of an alley; thence Easterly on the Southerly line of said alley, 185 feet to the Easterly line of Lemon Street; thence Southerly on the Easterly line of Lemon Street, 185 feet to the point of beginning.

Executed on 26 Nov 1982 at _____

William J. Pomeroy

STATE OF CALIFORNIA

COUNTY OF Riverside

On this 26 day of Nov, in the year 1982 before me,

the undersigned, a Notary Public in and for said State, personally appeared

MARY CORYDON

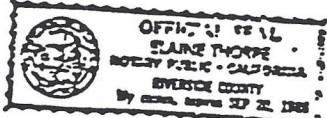
known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same for the purposes and consideration therein expressed.

I, the undersigned, a Notary Public in and for said State, do hereby certify that the foregoing instrument was duly executed by the person whose name is subscribed to the same.

WITNESS my hand and official seal.

Elaine Sharpe

Notary Public in and for said State



(This area for official notarial seal)

MAIL TAX

STATEMENTS TO Bent Corydon, 2390 Prenda Ave, Riverside, California 92504.

MAIL TAXES FOR THE YEAR 1982

This document has been prepared for the record of the transfer of property in the State of California. It is not to be used as a receipt or as a document of title. It is to be used only for the purpose of recording the transfer of property.

FILED NOVEMBER, 1982

EXHIBIT A

EXHIBIT "A"

208163

RECORDING REQUESTED BY

AND WHEN RECORDED MAIL THIS DEED AND, UNLESS OTHERWISE SPECIFIED BELOW, MAIL TAX STATEMENTS TO:

Beate Corydon
2390 Prenda Ave,
Riverside Calif. 92504.

Title Order No.

Exhibit No.

SPACE ABOVE THIS LINE FOR RECORDER'S USE

RECEIVED FOR RECORD

DEC 1 1982

208163

Recorded in Book 1000, Page 1000

William E. Emery
Recorder

QUITCLAIM DEED

DOCUMENTARY TRANSFER TAX

- ☐ computed on full value of property conveyed, or
☐ computed on full value less value of liens and encumbrances remaining at the time of sale.

Signature of Deedmaker or Agent Delivering Tax.

Full Name

THE UNDERSIGNED GRANTOR(S) DECLARE(S) FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged.

hereby release, release and forever quitclaim to

Beate Corydon.

the following described real property in the

County of: Riverside

State of California:

A portion of Block 7, Range 4, as shown by map of the TOWN OF RIVERSIDE
(MORE FULLY DESCRIBED ON EXHIBIT "A", ATTACHED HERETO AND MADE A PART HEREOF).

Assessor's parcel No. _____

Executed on 26th Nov 1982 at Riverside California

Mary Corydon

STATE OF CALIFORNIA

COUNTY OF Riverside

On this 26th day of Nov in the year 1982, before me,
the undersigned, a Notary Public in and for said State, personally appeared

Mary Corydon

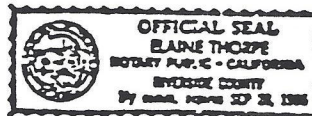
personally known to me and known to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument, and acknowledged to me that

he executed the within instrument, and acknowledged to me that

he executed the within instrument.

Elaine Thorpe

Notary Public in and for said State.



(This area for official notary seal)

MAIL TAX
STATEMENTS TO

Beate Corydon, 2390 Prenda Ave, Riverside, California 92504

NAME

ADDRESS

ZIP

DEEDS ACTS FOR THE STATE
OF CALIFORNIA

This document is subject to the typical statutory provisions of the real estate transfer tax laws of the State of California, and those provisions are incorporated by reference in this document. Contact a lawyer if you wish the deed to be subject to your personal and state

• SEE INSTRUCTIONS, etc.

EXHIBIT A

EXHIBIT "A"

In the City of Riverside, County of Riverside, State of California, and described as follows:

Commencing at the Southeast corner of Block 7, Range 3, as shown by Map of the TOWN OF RIVERSIDE, recorded in Book 7, page 17 of Maps, records of San Bernardino County, California;

Thence Westerly along the Northerly line of University Avenue (formerly Eighth Street), 139 feet;

Thence at a right angle Northerly and parallel with the Westerly line of Lemon Street, 30 feet;

Thence at a right angle Westerly and parallel with the Northerly line of University Avenue (formerly Eighth Street), 56 feet;

Thence at a right angle Northerly and parallel with the Westerly line of Lemon Street, 82 feet;

Thence at a right angle Easterly and parallel with the Northerly line of University Avenue (formerly Eighth Street), 161 feet to the Westerly line of Lemon Street;

Thence Southerly along the Westerly line of Lemon Street, 130 feet to the point of beginning.

EXHIBIT A

END RECORDED DOCUMENT

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8. For all CROSS-COMPLAINANTS v. all CROSS-DEFENDANTS;
- a. For costs of suit,
 - b. Attorneys fees,
 - c. For such relief as the court deems just.

DATE: September 15, 1983

Paul Morantz
PAUL MORANTZ
Daniel E. Olson
DANIEL E. OLSON

For Cross-Complainants

EXHIBIT A

FILED
RIVERSIDE COUNTY

SEP 22 1988

SAYRE, MORENO, PURCELL & BOUCHER
10866 Wilshire Boulevard, Fourth Floor
Los Angeles, California 90024
(213) 475-0505

Attorneys for Plaintiffs

By WILLIAM E. CONERLY, Clerk
K. Morgan K. Morgan
Deputy

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

CHURCH OF SCIENTOLOGY, MISSION OF RIVERSIDE
et al.,

Plaintiffs,

v.

BENT CORYDON et al.,

Defendants.

BRENT CORYDON; MARY CORYDON; MARK LUTOVSKY;
PHIL BLACK; MARC CHACON; CHURCH OF SCIOLOGOS,

Cross-Complainants,

v.

CHURCH OF SCIENTOLOGY OF CALIFORNIA, a Cali-
fornia corporation; CHURCH OF SCIENTOLOGY,
MISSION OF RIVERSIDE, a corporation; MISSION
OF RIVERSIDE, a unincorporated association;
SCIENTOLOGY MISSIONS INTERNATIONAL, a corpor-
ation; GUARDIAN'S OFFICE, an association;
RELIGIOUS TECHNOLOGY CENTER, a corporation;
MISSION OFFICE WORLD WIDE; CHURCH OF SCIEN-
TOLOGY INTERNATIONAL; HEBER JENTZCH; FREDDY
ULLAN; TOM STEINER; CATHY STEINER; ED LANCE;
TIM CAMPBELL; L. RON HUBBARD; KATHY HEARD;
EMPLOYMENT DEVELOPMENT DEPARTMENT OF CALIFOR-
NIA, a state agency; INTERNATIONAL FINANCIAL
POLICE, an association; CHURCH OF SCIENTOLOGY
OF LOS ANGELES, California corporation; MARY
ANN LANGENFELD; GEROLD W. LANGENFELD; CHURCH
OF SCIENTOLOGY, MISSION OF BUENAVENTURA, a
corporation; CHURCH OF SCIENTOLOGY, MISSION OF
SUNNYSLOPE, a corporation; CHURCH OF SCIENTO-
LOGY, FLAG SERVICE ORGANIZATION; UNITED STATES
MISSION OFFICE; BRAD BALLENTINE; KEN HOLDEN;
CHURCH OF SCIENTOLOGY TECHNOLOGY; and DOES 1
through 100, inclusive,

Cross-Defendants,

CASE NO. 154 129

SECOND AMENDED
CROSS-COMPLAINT
FOR:

1. MONEY OWED;
2. FRAUD;
3. OPEN BOOK AC-
COUNT;
4. DECLARATORY
RELIEF -- IN-
DEMNITY;
5. CONVERSION;
6. BREACH OF FI-
DUCIARY DUTY;
7. BREACH OF CON-
TRACT;
8. SLANDER;
9. INTENTIONAL
INFLICTION OF
EMOTIONAL DIS-
TRESS;
10. INTERFERENCE
WITH BUSINESS
BATTERY

EXHIBIT B

1 COME NOW CROSS-COMPLAINANTS CHURCH OF SCIOLOGOS (hereinafter
2 referred to as SCIOLOGOS), BENT CORYDON, MARY CORYDON, MARK
3 LUTOVSKY, PHIL BLACK, MARCH CHACON who plead the herein CROSS-
4 COMPLAINT against the following CROSS-DEFENDANTS who shall
5 hereinafter be referred to as indicated in parentheses:

6 CHURCH OF SCIENTOLOGY OF CALIFORNIA, a California
7 Corporation

8 CHURCH OF SCIENTOLOGY, MISSION OF RIVERSIDE, a California
9 Corporation (MISSION)

10 MISSION OF RIVERSIDE, an unincorporated association
11 (ASSOCIATION)

12 SCIENTOLOGY MISSIONS INTERNATIONAL, a Corporation (SMI)

13 GUARDIAN'S OFFICE, an association

14 RELIGIOUS TECHNOLOGY CENTER, a Corporation (RTC)

15 MISSION OFFICE WORLD WIDE, (MOWW)

16 CHURCH OF SCIENTOLOGY INTERNATIONAL, (CSI)

17 HEBER JENTZCH

18 FREDDY ULLAN

19 TOM STEINER

20 CATHY STEINER

21 ED LANCE

22 TIM CAMPBELL

23 KATHY HEARD

24 L. RON HUBBARD - sued now as the Estate of L. RON HUBBARD

25 EMPLOYMENT DEVELOPMENT DEPARTMENT OF CALIFORNIA, a state
26 agency

27 INTERNATIONAL FINANCE POLICE, an Association

28 CHURCH OF SCIENTOLOGY OF LOS ANGELES, a California

1 Corporation

2 CHURCH OF SCIENTOLOGY FLAG SERVICE ORGANIZATION (FLAG)

3 UNITED STATES MISSION OFFICE (USMO)

4 MARY ANN LANGENFELD

5 GEROLD W. LANGENFELD

6 CHURCH OF SCIENTOLOGY, MISSION OF BUENAVENTURA, a
7 Corporation

8 CHURCH OF SCIENTOLOGY, MISSION OF SUNNYSLOPE, a Corporation

9 CHURCH OF SCIENTOLOGY TECHNOLOGY (COST)

10 FIRST CAUSE OF ACTION

11 COMMON COUNT (MONEY OWED)

12 BENT CORYDON, MARY CORYDON, MARK LUTOVSKY, V. MISSION,
13 ASSOCIATION, DOES 1 - 100.

14 1. BENT CORYDON, MARY CORYDON, and MARK LUTOVSKY, are and
15 were residents of Riverside County and members of the Board of
16 Directors of the CHURCH OF SCIOLOGOS and were, until its merger
17 with SCIOLOGOS in November 1982, directors of the MISSION.

18 1a. Cross-Defendants Does 1 - 100 are unknown to Cross-
19 Complainants but are somehow responsible for the acts alleged
20 herein. Cross-Complainants will amend this cross-complaint to
21 reflect their true identity when the same is ascertained.

22 2. Cross-Defendants MISSION and ASSOCIATION assert by
23 means of their complaint herein, through declaratory relief cause
24 of action, the claim that the merger described above did not
25 occur and that the Cross-Defendants are the true MISSION and that
26 said MISSION operates on behalf of the ASSOCIATION.

27 3. Prior to the merger described above, the MISSION was
28 indebted to each of the named Cross-Complainants for monies owed

1 as set forth below. These debts were for monies lent by Cross-
2 Complainants to the MISSION and for salaries of Cross-
3 Complainants withheld by the MISSION, each resulting from
4 agreements with the MISSION and the Cross-Complainants to the
5 forego collection by Cross-Complainants until such time as the
6 MISSION was in a more suitable condition to pay the same.

7 4. For the time period from 1974 to the time of merger,
8 the MISSION owed BENT CORYDON for back salaries the sum of
9 \$138,567.09 and MARY CORYDON \$159,336.33. In addition BENT
10 CORYDON and MARY CORYDON are owed jointly \$80,333.60 for monies
11 lent at the time of incorporation of the MISSION and \$20,431.50
12 for the value of personal property lent to the MISSION. MARK
13 LUTOVSKY is owed in salaries the sum of \$10,004.41 from December
14 of 1981 to time of merger. BENT CORYDON and MARY CORYDON have
15 made demand for payment in 1982 and MARK LUTOVSKY in 1983.
16 Demand is further made by the filing of this complaint. None of
17 said monies have been repaid.

18 SECOND CAUSE OF ACTION

19 FRAUD

20 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, DCEP
21 1-100, SMI, GUARDIAN'S OFFICE, MOWW, CSI, ESTATE OF L. RON
22 HUBBARD, COST

23 5. Incorporated by reference are paragraphs 1 through 2 of
24 the First Cause of Action.

25 6. At times herein mentioned Cross-Defendant CHURCH OF
26 SCIENTOLOGY OF CALIFORNIA, a California Corporation, was referred
27 to as the Mother Church of Scientology in which Cross-Defendant
28 GUARDIAN'S OFFICE operated.

1 7. Due to recent revocation of the non-profit status of
2 the Church of Scientology of California, Scientology created
3 successor corporations in Cross-Defendants SMI, RTC, CSI, COST
4 and has transferred the rights and liabilities of the Mother
5 Church to the same. Other Church of Scientology entities and/or
6 organizations responsible for the acts alleged herein include
7 MOWW. Each corporation, organization and Cross-Defendant named
8 herein, is the agent, employee, and co-conspirator of the other,
9 and the alter-ego of each other. Each corporation and
10 organization is run through the same hierarchy of the Scientology
11 organization and each entity is manipulated by the same
12 individuals at the top of the Scientology organization, and was
13 headed by its founder, Cross-Defendant L. RON HUBBARD. Said
14 manipulation includes cash flow. Complete control rests in
15 HUBBARD, who formulates policy for all, including that of "FAIR
16 GAME" as defined below. Treating these corporations as separate
17 entities would be unfair under these circumstances.

18 8. At the time of its incorporation in 1974, the MISSION
19 entered into oral and/or written contractual relationships with
20 Cross-Defendants, and each of them wherein the MISSION would pay
21 to Cross-Defendants 10% of all income received by the MISSION
22 from the practice of Scientology and Dianetics and in return for
23 said monies, Cross-Defendants promised to allow MISSION to use
24 Scientology trademarks, keep the MISSION current in Scientology
25 technology and promote the public welfare through Scientology.
26 In addition, Cross-Defendants were to be a non-profit
27 organization dedicated to promoting the public welfare through
28 Scientology, and were not to violate said trust. Said agreements

1 are manifested in writings in the charter given to MISSION by
2 Scientology and in written policies. Said writings include, but
3 are not limited to, HCO Policy Letter of 1 January 1965 and HCO
4 Policy Letter of 18 June 1959. Said representations were also
5 stated orally to BENT CORYDON, prior to incorporation of the
6 MISSION, in the early 1970's by Mission Officer World Wide Mike
7 Davidson.

8 9. Cross-Defendants, and each of them, through literature
9 and promotion have held, since prior to 1974, themselves as a
10 non-profit organization dedicated to aiding the public welfare
11 through Scientology.

12 10. Said representations by Cross-Defendants, and each of
13 them, were reasonably relied on by the MISSION and the MISSION
14 would not have continued in their contractual relationship and
15 would not have continued to pay 10% of its income to Cross-
16 Defendants, and each of them, but for said reliance. Said
17 representations, by implication of law, include the
18 representation that Cross-Defendants will not commit acts in
19 violation of Federal and State non-profit laws.

20 11. Said agreement and representations by Cross-Defendants
21 and each of them, evidenced in writings, and memorandums, were
22 false and fraudulent and were known to be false and fraudulent at
23 the time said representations were made. In truth, none of the
24 Cross-Defendant corporations, particularly the Mother Church of
25 Scientology of California, was in fact operating as a non-profit
26 corporation. Monies paid to Cross-Defendants, and each of them,
27 went to the benefit of private individuals and not to the
28 corporation. Large sums of money were paid over to Cross-

1 Defendant L. RON HUBBARD (now "ESTATE OF") and others high up in
2 the Scientology organization. In addition, the money was used to
3 fund "secret missions" from the GUARDIAN'S OFFICE designed to
4 harass and destroy people perceived to be enemies of Scientology
5 including people who have left the organization. Terrorist acts
6 included threats, harassment, framing of criminal charges,
7 financial destruction, and other plans to destroy a person
8 mentally and/or financially. These plans pursuant to
9 Scientology's "Fair Game" doctrine were developed by Cross-
10 Defendant L. RON HUBBARD and included the use of trained secret
11 Scientology agents who, under disguise, would implement plans to
12 destroy people's lives. As a result of these criminal actions,
13 which included break-ins and burglaries, eleven Scientologists
14 were convicted in Federal Court and sentenced to prison.
15 Scientology also breach non-profit laws by politically lobbying.
16 As a result, the IRS has declared that the Mother Church of
17 Scientology of California inappropriately had a non-profit tax
18 status and has proceeded to collect back taxes. All of these
19 illegal acts were being commenced prior to 1974 and were done in
20 secret in order to defraud the public and all similar Scientology
21 Missions, including the Cross-Complainants.
22 12. The truth of these matters were not suspected until
23 1981 and not confirmed until 1983. Throughout 1974 to 1982
24 Cross-Defendants stated to Cross-Plaintiffs they had not done the
25 acts above described. Prior to said time, the MISSION paid
26 Cross-Defendants, and each of them, the sum of \$638,892.52.
27 Incorporated by reference are paragraphs 15-17 of the Third Cause
28 of Action.

EXHIBIT B

1 13. Said amount is owing and due to SCIOLOGOS, who, through
2 merger, has assumed the assets and liabilities of the MISSION.
3 Said money is due with interest, and as the acts were
4 intentional, willful and deceitful, punitive damages in the sum
5 of \$5,000,000. are prayed.

6 THIRD CAUSE OF ACTION

7 FRAUD

8 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA etc., RTC,
9 COST, DOES 1-100, SMI, GUARDIAN'S OFFICE, HEBER JENTZCH, FREDDY
10 ULLAN, MOWW, CSI, ESTATE OF L. RON HUBBARD.

11 14. Paragraphs 1 and 2 of the First Cause of Action and
12 paragraphs 6 through 13 of the Second Cause of Action are
13 incorporated by reference.

14 15. After the arrest of the eleven Scientologists for
15 crimes as described in paragraph 11, Cross-Defendants, and each
16 of them, solicited funds from the MISSION in order to support
17 their criminal defense and defend Scientology. Cross-Defendants,
18 and each of them, created the Safe Environment Fund in order to
19 collect money for this purpose. Cross-Defendants, and each of
20 the, induced the MISSION to donate money to the funds by stating
21 that the Scientologists arrested were in fact innocent of the
22 crimes charged, had not done the acts alleged and were the
23 victims of discriminatory actions taken against them by the
24 Federal Government. Statements such as these made by the Cross-
25 Defendants included statements made by Cross-Defendants and
26 Scientology Officials HEBER JENTZCH and FREDDY ULLAN to the staff
27 of the MISSION in approximately 1979. As a result, MISSION paid
28 to Cross-Defendant's Safe Environment Fund, the sum of \$6,451.34

1 and 1979 and \$800.00 in July of 1980. Said payments were in
2 reasonable reliance upon statements of Cross-Defendants, and each
3 of them, and would not have been made but for said
4 representations.

5 16. Cross-Defendants, and each of them, in making said
6 representations knew the same to be false and knew particularly
7 by their own documents, and by their close association with the
8 GUARDIAN'S OFFICE that eleven Scientologists were in fact guilty
9 of horrendous crimes. Cross-Defendants, and each of them, were
10 in fact willful non-indicted co-conspirators with the eleven
11 convicted Scientologists. All the criminal acts done the eleven
12 Scientologists were with the approval of the Cross-Defendants,
13 and each of them, particularly the Cross-Defendant and
14 Scientology Founder L. RON HUBBARD.

15 17. Cross-Defendants began to suspect the truth in 1981 but
16 did not discover the same until 1983.

17 18. Therefore, SCIOLOGOS, the successor of the MISSION, has
18 been damaged in the sum of \$7,251.34 plus interest. As said
19 representations were willful and deceitful, punitive damages
20 the sum of \$5,000,000.00 are sought.

21 FOURTH CAUSE OF ACTION

22 OPEN BOOK ACCOUNT

23 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, DCBX,
24 1-100, SMI, GUARDIAN'S OFFICE, MOWW, CSI, USMO.

25 19. Paragraphs 1 through 2 of the First Cause of Action and
26 paragraphs 6 through 13 of the Second Cause of Action are
27 incorporated by reference.

28 20. During the ongoing oral and/or written agreements

EXHIBIT B

1 described in paragraph 8 and which lasted until November of 1982,
2 the MISSION had overpaid in tithes, the sum of \$52,000.00 to
3 Cross-Defendants, and each of them. Another \$36,000.00 was
4 incorrectly paid to USMO, a division of MOWW. All of said money
5 is owed with interest, to the CHURCH OF SCIOLOGOS and no part of
6 it has been paid to date. Demand for said payment is made by the
7 complaint.

8 FIFTE CAUSE OF ACTION

9 DECLARATORY RELIEF-INDEMNITY

10 SCIIOLOGOS v. MISSION, ASSOCIATION, EMPLOYMENT DEVELOPMENT
11 DEPARTMENT OF CALIFORNIA

12 21. Paragraphs 1 through 2 of the First Cause of Action and
13 6 through 13 of the Second Cause of Action are hereby
14 incorporated by reference.

15 22. Cross-Defendant EMPLOYMENT DEVELOPMENT DEPARTMENT OF
16 CALIFORNIA, a California Agency, has assessed a \$115,911.08 claim
17 against the MISSION for back taxes on the claim that the MISSION
18 was not a true church. These monies were originally not paid on
19 the direct order of the CHURCH OF SCIENTOLOGY OF CALIFORNIA.

20 23. A dispute has arisen over who is the true MISSION as
21 stated in the complaint on file herein. If Plaintiffs and Cross-
22 Defendants prevail and it is declared the latter are the true
23 MISSION and control MISSION property in trust for the ASSOCIATION
24 then the claim of the EMPLOYMENT DEVELOPMENT DEPARTMENT OF
25 CALIFORNIA should be attached to said MISSION run by Plaintiffs
26 and Cross-Defendants, and each of them, and not to the CHURCH OF
27 SCIOLOGOS, as the CHURCH OF SCIOLOGOS will not have absorbed the
28 assets and liabilities of the MISSION. Further, the CHURCH OF

1 SCIOLOGOS will be entitled to indemnity against Plaintiffs and
2 Cross-Defendants for attorney fees and costs in defending against
3 the EMPLOYMENTS DEVELOPMENT DEPARTMENT OF CALIFORNIA, in an
4 amount to be proven in court.

5 SIXTH CAUSE OF ACTION

6 CONVERSION

7 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, COST,
8 DOES 1 through 100, SMI, GUARDIAN'S OFFICE, INTERNATIONAL FINANCE
9 POLICE, CHURCH OF SCIENTOLOGY, MOWW, CSI, ESTATE OF L. RON
10 HUBBARD, CHURCH OF SCIENTOLOGY OF LOS ANGELES, a Corporation,
11 FLAG.

12 24. Paragraphs 1 through 2 of the First Cause of Action and
13 paragraphs 6 through 13 of the Second Cause of Action are
14 incorporated herein by reference.

15 25. Cross-Defendants INTERNATIONAL FINANCE POLICE is a
16 subdivision of the Cross-Defendant Scientology corporations,
17 including Cross-Defendant CHURCH OF SCIENTOLOGY OF LOS ANGELES, a
18 California Corporation, whom in 1982, extorted and converted to
19 their own use of the sum of \$40,000.00 from the MISSION. At the
20 time of the conversion said monies were the property of the
21 MISSION. The MISSION has since merged with the CHURCH OF
22 SCIOLOGOS thereby transferring it's debts and collections.

23 26. Said FINANCE POLICE took said money as alleged fines on
24 three different occasions. \$10,000.00 was taken in October of
25 1982 and \$15,000.00 was taken twice in November of 1982. The
26 stated purposes of the alleged fines included failure to convince
27 other human beings to leave California and move to Clearwater,
28 Florida and work for Flag, a Scientology organization. Said

1 FINANCE POLICE threatened the MISSION directors, particularly
2 BENT CORYDON, with ruining the MISSION if the money was not paid
3 and the people not delivered. Such acts would include a
4 withdrawal of the Charter of the MISSION and a systematic
5 persuasion of all practitioners to cease going business with the
6 MISSION, and a promise to see to it that the directors of the
7 MISSION would be brought up on criminal charges. Such statements
8 communicated that "Fair Game" as invented by L. RON HUBBARD would
9 be applied to Cross-Complainants if the money was not in fact
10 delivered. Said money was paid only out of fear that Cross-
11 Defendants, and each of them, would take actions to try to
12 destroy the MISSION and frame it's directors on some form of
13 criminal charges, pursuant to Scientology practices.

14 27. As a result thereof, Cross-Defendants, and each of
15 them, are indebted to SCIOLOGOS in the sum of \$40,000.00 plus
16 interest. As such acts were intentional, willful, and were theft
17 by extortion, punitive damages in the sum of \$5,000,000.00 are
18 prayed.

19 SEVENTH CAUSE OF ACTION

20 BREACH OF FIDUCIARY DUTY

21 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, COST,
22 DOES 1 through 100, SMI, GUARDIAN'S OFFICE, CATEY STEINER, TOM
23 STEINER, CSI, MOWW, ESTATE OF L. RON HUBBARD

24 28. Paragraphs 1 through 2 of the First Cause of Action and
25 6 through 13 of the Second Cause of Action are incorporated
26 herein by reference.

27 29. Cross-Defendants, and each of them, threatened the
28 MISSION in 1978 with attempts to destroy the MISSION unless BENT

1 CORYDON withdrew temporarily for additional training and allowed
2 Cross-Defendants CATHY STEINER and TOM STEINER to take his and
3 MARY CORYDON'S places as officers of the corporation and run the
4 same. Despite their representation that BENT CORYDON and MARY
5 CORYDON would only be absent three months, Cross-Defendants, and
6 each of them, continued their threats and only withdrew the same
7 permitting the MISSION to reinstate BENT CORYDON and MARY CORYDON
8 as directors and officers in November of 1981.

9 30. During the absence of BENT CORYDON and MARY CORYDON,
10 and with the approval of the Cross-Defendants, pursuant to
11 conspiracy to enrich themselves at the expense of the MISSION,
12 Cross-Defendants and temporary directors CATHY STEINER and TOM
13 STEINER intentionally overpaid Cross-Defendants, and each of
14 them, the sum of \$52,000.00 as set forth in the Fourth Cause of
15 Action which is incorporated by reference.

16 31. As a result, CHURCH OF SCIOLOGOS, has suffered damages
17 of \$52,000.00 plus interest. Such acts were intentional,
18 deliberate, and malicious. Punitive damages are sought in the
19 sum of \$5,000,000.00.

20 EIGHTH CAUSE OF ACTION

21 BREACH OF CONTRACT

22 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, DOES
23 1 through 100, SMI, GUARDIAN'S OFFICE, CSI, COST, MOWW, ESTATE OF
24 L. RON HUBBARD

25 32. Paragraphs 1 through 2 of the First Cause of Action and
26 6 through 13 of the Second Cause of Action are incorporated
27 herein by reference.

28 33. During 1979, the MISSION purchased from Cross-

1 Defendants, particularly SMI, rights to establish three
2 Scientology parishes with Scientology Charters, by paying to SMI
3 the sum of \$10,000.00 for each. To Cross-Complainants knowledge
4 at this time, said contract was oral. The MISSION has since
5 merged with SCIOLOGOS transferring all debts and collections to
6 the latter.

7 34. Implied in said oral contract was a covenant of good
8 faith and fair dealing, including a promise the Cross-Defendants
9 would do nothing to lower the value of said prospective parishes,
10 and would do nothing wrongful to prevent the MISSION from
11 establishing said parishes.

12 35. Cross-Defendants, and each of them, breached this
13 implied covenant of good faith and fair dealing by creating an
14 atmosphere and condition where it was impossible for the MISSION
15 to exercise said rights, lowered the ability for said parishes to
16 be successful, and prevented the MISSION from continuing further
17 in the practice as a chartered member of the Church of
18 Scientology.

19 36. Said acts included, but were not limited to, over a
20 decade of crimes and illegal acts as described in paragraph 11
21 continuing up and until the present, and which resulted in
22 publicized convictions of eleven Scientologists for obstructing
23 justice; thereby curtailing the value of a Scientology Charter.
24 By applying this practice of "Fair Game" to BENT CORYDON and MARY
25 CORYDON, removing them from Scientology, causing financial
26 hardships as set forth in each cause of action herein.
27 particularly the Sixth Cause of Action, embarking in 1982 on a
28 series of plans and operations designed to squeeze all charterers

1 Missions financially to their detriment and to the benefit of
2 Cross-Defendants, and each of them, Cross-Defendants have caused
3 said Charters to be worthless and unusable.

4 37. As a result, the MISSION, in order to survive, merged
5 into CHURCH OF SCIOLOGOS, further diminishing the value of the
6 three parishes. Also Cross-Defendants, and each of them, have
7 removed the directors of the MISSION from Scientology, thereby
8 preventing the directors of the MISSION from operating said
9 parishes. Said acts have damaged Cross-Complainants in the sum
10 of \$30,000.00 plus interest.

11 NINTH CAUSE OF ACTION

12 BREACH OF FIDUCIARY DUTY

13 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, COST,
14 DOES 1 through 100, SMI GUARDIAN'S OFFICE, CATHY STEINER, TOM
15 STEINER, MOWW, CSI, ESTATE OF L. RON HUBBARD

16 38. Paragraphs 1 through 2 of the First Cause of Action and
17 6 through 13 of the Second Cause of Action are incorporated
18 herein by reference.

19 39. In 1979, CATHY STEINER and TOM STEINER, as temporary
20 acting officers of the MISSION, placed by Cross-Defendants and
21 each of them, with the approval of Cross-Defendants, and each of
22 them, in breach of their fiduciary relationship to the
23 corporation and pursuant to the stated conspiracy in paragraph
24 30, mad loans of \$268,101.51 to various Scientologists to be paid
25 back at will without interest. Cross-Defendants,, and each of
26 them, have communicated to many of said debtors that said money
27 does not have to be paid back. Said loans were made without any
28 source of security to guarantee repayment. To date, only

1 \$95,725.31 has been paid back. As a result, the CHURCH OF
2 SCIOLOGOS has been damaged in the sum of \$172,376.20.

3 40. As said actions were done intentionally, with total
4 disregard for the rights of the corporation, and in breach of
5 fiduciary relationship, punitive damages are sought in the sum of
6 \$5,000,000.00.

7 TENTH CAUSE OF ACTION

8 COMMON COUNT (MONEY OWED)

9 SCIOLOGOS v. TOM STEINER, MARY ANN LANGENFELD, GERALD W.
10 LANGENFELD, DOES 1 through 100

11 41. Paragraphs 1 through 2 of the First Cause of Action and
12 6 through 13 of the Second Cause of Action are incorporated
13 herein by reference.

14 42. GERALD W. LANGENFELD is a Cross-Defendant herein and is
15 the husband of Cross-Defendant MARY ANN LANGENFELD.

16 43. In 1979, pursuant to loans described in paragraph 39,
17 the MISSION lent GERALD W. LANGENFELD \$6,894.00 and MARY ANN
18 LANGENFELD \$2,534.75. GERALD W. LANGENFELD still owes the sum of

19 \$4,142.93 and MARY ANN LANGENFELD owes the sum of \$2,035.93.

20 Said promissory notes are attached hereto as Exhibits "A", "B"
21 and "C". Said notes indicate that each shall remain an employee

22 of the MISSION and pay back the loans through 6% payroll
23 deductions. None of the Cross-Defendants herein are still

24 employees of the MISSION and none has continued to make payments.

25 Therefore the balance is now due and demand is made.

26 44. In addition, during the same period, and under the same
27 conditions TOM STEINER was lent the sum of \$5,122.78 and still
28 continues to owe the amount of \$3,289.15, having also terminated

1 employment with the MISSION. The MISSION has merged with
2 SCIOLOGOS and the latter has assumed all of the former's
3 liabilities and collections. Interest is due from the date each
4 Cross-Defendant terminated employment with the MISSION.

5 ELEVENTH CAUSE OF ACTION

6 BREACH OF CONTRACT

7 SCIOLOGOS v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC, COST,
8 DOES 1 through 100, SMI GUARDIAN'S OFFICE, TOM STEINER, CATHY
9 STEINER, CSI, MOWW, L. RON HUBBARD

10 45. Paragraphs 1 through 2 of the First Cause of Action,
11 paragraphs 39 through 40 of the Ninth Cause of Action and
12 paragraphs 28 through 30 of the Seventh Cause of Action are
13 incorporated herein by reference.

14 46. At the time Cross-Defendants, and each of them,
15 wrongfully forced and extorted MISSION directors BENT CORYDON and
16 MARY CORYDON to temporarily leave the MISSION and have the
17 MISSION run temporarily by CATHY STEINER AND TOM STEINER, said
18 MISSION had personal assets of \$750,000.00.

19 47. Due to the continued mismanagement and self-dealing of
20 TOM STEINER and CATHY STEINER, including turning over monies to
21 Scientologists and Cross-Defendants, and each of them, as set
22 forth in the Seventh and Ninth Causes of Action, the MISSION only
23 had \$156,000.00 in cash assets at the time of the return of BENT
24 CORYDON and MARY CORYDON in November of 1981.

25 48. As a result, the MISSION has been damaged by said
26 mismanagement in the sum of \$594,000.00.

27 TWELVE CAUSE OF ACTION

28 SLANDER

EXHIBIT B

1 CHURCH OF SCIOLOGOS, BENT CORYDON, MARY CORYDON, MARK
2 LUTOVSKY, MARC CHACON v. CHURCH OF SCIENTOLOGY OF CALIFORNIA,
3 RTC, DOES 1 through 100, SMI, GUARDIAN'S OFFICE, and the CHURCH
4 OF SCIENTOLOGY, MISSION OF BUENAVENTURA, a Corporation, CSI,
5 COST, MOWW, CHURCH OF SCIENTOLOGY, MISSION OF SUNNYSLOPE, a
6 Corporation, L. RON HUBBARD, TIM CAMPBELL, HEBER JENTZCH, KATEY
7 HEARD

8 49. Incorporated by reference are paragraphs 1 through 2 of
9 the First Cause of Action, 6 through 13 of the Second Cause of
10 Action and 28 through 30 of the Seventh Cause of Action.

11 50. In 1982, at a meeting of Scientologists at the Holiday
12 Inn in Riverside, in her official position as MISSION HOLDER of
13 Cross-Defendant CHURCH OF SCIENTOLOGY, MISSION OF BUENAVENTURA
14 and on behalf of all Cross-Defendants and pursuant to the
15 conspiracy to carry out L. RON HUBBARD's "Fair Game" policies,
16 told a meeting of SCIOLOGOS parishioners that SCIOLOGOS directors
17 BENT CORYDON, MARY CORYDON, MARK LUTOVSKY and Secretary/Treasurer
18 MARC CHACON were misusing funds and stealing from the CHURCH.

19 51. Pursuant to the same conspiracy described above, in
20 June of 1983, Cross-Defendant TIM CAMPBELL, on behalf of CHURCH
21 OF SCIENTOLOGY, MISSION OF SUNNYSLOPE, with the approval of all
22 Cross-Defendants, and each of them, called one or more
23 parishioners of SCIOLOGOS and stated that the directors of
24 SCIOLOGOS are criminals. Said acts are part of a continuing
25 effort of Cross-Defendants, and each of them, to slander and ruin
26 Cross-Complainants. Said statements by each Cross-Defendant
27 herein were made with knowledge of the falsehood and were made
28 maliciously to cause Cross-Complainants harm.

1 51a. Pursuant to the same conspiracy described in paragraph
2 50 above following the filing of the Cross-Complaint in this
3 case, Cross-Defendant HEBER JENTZCH, on behalf of CSI and all
4 Defendants stated, knowing the same to be false, to the Riverside
5 Press-Enterprise that the purpose of said filing was to "stop the
6 Church of Scientology's anti-drug campaign". He further stated
7 the Cross-Complainants purpose was to stop the Church's ability
8 to help those who need help and education. At the same time,
9 Cross-Defendant KATHY HEARD stated, knowing the same to be false,
10 to the Riverside Press-Enterprise, that the Cross-Complainants
11 herein were a "tiny handful of people accusing others (by this
12 cross-complaint) of acts which they themselves are guilty of."
13 Both statements appeared in the Riverside Press-Enterprise.

14 52. Said statements damaged SCIOLOGOS' ability to keep
15 parishioners and subjected BENT CORYDON, MARY CORYDON, MARK
16 LUTOVSKY and MARC CHACON to humiliation, ridicule, economic
17 deprivation, and loss of reputation.

18 53. Said statements described above were untrue, and known
19 to be untrue by Cross-Defendants, and were made maliciously to
20 injure Cross-Complainants and each of them, pursuant to
21 Scientology's doctrine of 'Fair Game.'

22 54. As result of such statements, Cross-Complainants herein
23 have been damaged in an amount to be proven in court, and as said
24 statements were made maliciously with the knowledge that they
25 were false, punitive damages are sought in the sum of
26 \$5,000,000.00

27 THIRTEENTH CAUSE OF ACTION

28 SLANDER

EXHIBIT B

1 BENT CORYDON v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC,
2 COST, DOES 1 through 100, SMI, GUARDIAN'S OFFICE, CSI, MOWW, L.
3 RON HUBBARD

4 55. Incorporated by reference are paragraphs 1 through 2 of
5 the First Cause of Action, 6 through 13 of the Second Cause of
6 Action and 50 through 54 of the Twelfth Cause of Action.

7 56. Following the merger of the MISSION into the Church of
8 SCIOLOGOS, pursuant to Scientology's doctrine of "Fair Game," and
9 Cross-Defendants conspiracy to commit the same, an investigator,
10 operating on behalf of the CHURCH OF SCIENTOLOGY and as a
11 representative of the GUARDIAN'S OFFICE, went to Deputy Sheriff
12 Gary Jenson of the Riverside Sheriff's Department and made
13 statements suggesting that BENT CORYDON tried to kill the Deputy
14 Sheriff. Said investigator also stated that Cross-Defendants
15 would be interested in helping the Sheriff pin an attempted
16 murder rap on BENT CORYDON.

17 57. Said statements were untrue, and known by Cross-
18 Defendants, and each of them, to be untrue and were designed with
19 malice to humiliate, ridicule, and lower the reputation of BENT
20 CORYDON, and subject him to an unwanted and uncalled for criminal
21 investigation and possible false arrest.

22 58. Said actions have caused BENT CORYDON humiliation and
23 in addition, to live in fear of other "Fair Game" operations that
24 Scientology might apply to him pursuant to the policies of L. RON
25 HUBBARD.

26 59. As a result BENT CORYDON has been damaged in an amount
27 to be proven in court. As such actions were intentionally
28 malicious and designed to cause harm to BENT CORYDON, punitive

1 damages in the amount of \$5,000,000.00 are sought.

2 FOURTEENTH CAUSE OF ACTION

3 INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

4 BENT CORYDON v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, RTC,
5 COST, DOES 1 through 100, SMI, GUARDIAN'S OFFICE, CSI, MOWW, L.
6 RON HUBBARD

7 60. Paragraphs 1 through 2 of the First Cause of Action, 6
8 through 13 of the Second Cause of Action, 50 through 54 of the
9 Twelfth Cause of Action, 56 through 58 of the Fourteenth Cause of
10 Action, 72 through 86 of the Sixteenth Cause of Action, 89 of the
11 Eighteenth Cause of Action, 95 of the Twentieth Cause of Action
12 are incorporated herein by reference.

13 61. Said conduct on part of Cross-Defendants, and each of
14 them, was designed to cause BENT CORYDON emotional distress and
15 it was reasonably foreseeable from the same the BENT CORYDON
16 would suffer emotion distress.

17 62. As approximate result thereof, BENT CORYDON did in fact
18 suffer emotional distress, continues to suffer the same, and has
19 been damaged in an amount to be proven in court. As such actions
20 were intentional and willful punitive damages in the sum of
21 \$5,000,000.00 are sought.

22 FIFTEENTH CAUSE OF ACTION

23 INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

24 PHIL BLACK v. CHURCH OF SCIENTOLOGY OF CALIFORNIA, COST,
25 RTC, COST, DOES 1 through 100, SMI, GUARDIAN'S OFFICE, ED LANCE.
26 CHURCH OF SCIENTOLOGY, MISSION OF SUNNYSLOPE, MOWWS, CSI, L. RON
27 HUBBARD

28 63. Paragraphs 1 through 2 of the First Cause of Action, 6

1 through 13 of the Second Cause of Action, 95 of the Twentieth
2 Cause of Action are hereby incorporated by reference.

3 64. Cross-Defendant ED LANCE, on behalf of the CHURCH OF
4 SCIENTOLOGY, MISSION OF SUNNYSLOPE, and pursuant to Cross-
5 Defendants', and each of them, conspired to commit the doctrine
6 of "Fair Game" as created and ordered by L. RON HUBBARD and with
7 the approval of all Cross-Defendants, and each of the, advised
8 PHIL BLACK on the telephone that he, ED LANCE, was going to Los
9 Angeles to hire a mafioso to blow PHIL BLACK away.

10 65. As a result, particularly with the knowledge of
11 Scientology's history of harassment and "Fair Game," PHIL BLACK
12 has to worry about his safety and livelihood.

13 66. Said statement was designed to cause PHIL BLACK
14 emotional distress and it was reasonably foreseeable that PHIL
15 BLACK would suffer emotional distress. As approximate result
16 thereof, PHIL BLACK did suffer emotion distress, continues to
17 suffer emotional distress, and has been damaged in an amount to
18 be proven in court.

19 67. As said conduct was intentional and willful, punitive
20 damages in the sum of \$5,000,000.00 are sought.

21 SIXTEENTH CAUSE OF ACTION

22 DECLARATORY RELIEF

23 BENT CORYDON, MARY CORYDON, MARK LUTOVSKY, SCIOLOGOS V.
24 MISSION, ASSOCIATION, DOES 1 through 100.

25 68. Paragraphs 1 through 4 of the First Cause of Action are
26 incorporated herein by reference.

27 69. A dispute has arisen over who is indebted to BENT
28 CORYDON, MARY CORYDON and MARK LUTOVSKY as described in the First

1 Cause of Action. SCIOLOGOS has assumed the debts of the MISSION
2 by merger, including the ones stated herein. The ASSOCIATION and
3 an "alleged" MISSION challenge said merger, claiming to operate
4 the true MISSION and be entitled to it's property. While
5 SCIOLOGOS denies the validity of said allegations, it also claims
6 that if the Plaintiffs prevail on the complaint then the debts
7 stated herein are that of the ASSOCIATION and MISSION. BENT
8 CORYDON, MARY CORYDON and MARK LUTOVSKY would be then entitled to
9 judgment against the ASSOCIATION and the MISSION for money owed
10 as alleged in the First Cause of Action.

11 70. Therefore it is necessary that the court in deciding
12 who owns the MISSION and/or its property, must also declare who
13 is obligated to pay the debts herein stated.

14 SEVENTEENTH CAUSE OF ACTION

15 ALL CROSS-PLAINTIFFS v. ALL CROSS-DEFENDANTS FOR
16 INTERFERENCE WITH BUSINESS

17 71. Paragraphs 1 through 3, 6 through 11, 25, 29 through
18 37, 39, 42 through 43, 50 through 51, 64 as if the same were
19 fully set forth herein.

20 72. Following the filing of the herein lawsuit, sponsored
21 by Cross-Defendants, and each of them, a First Amended Cross-
22 Complaint was filed. Cross-Defendants, and each of them,
23 thereafter entered into a conspiracy, pursuant to "Fair Game"
24 policies of Cross-Defendants, and each of them (people who are
25 adverse to the Church of Scientology are fair game for harassment
26 and destruction) to destroy Cross-Plaintiffs financially.

27 73. This conspiracy was carried out by secret plans, which
28 were placed into action, to harass Cross-Plaintiffs, instill

1 fear, interfere with their abilities to earn a living, and to
2 disrupt the defense and prosecution of this case by placing a spy
3 in Cross-Plaintiff's offices for purposes of learning litigation
4 strategy of Defendants and Cross-Plaintiffs, and for sabotaging
5 the same.

6 74. Pursuant to this plan, Cross-Defendants, through the
7 special workings of Cross-Defendant Brad Ballentine, recruited
8 Scientologist agent Tom Armistead to go into the CHURCH OF
9 SCIOLOGOS MISSION and befriend Cross-Defendants in order to find
10 out information on Defendants and Cross-Plaintiffs legal strategy
11 in this case so that the same may be forwarded to Plaintiffs and
12 Cross-Defendants. Armistead was instructed to encourage
13 conversation with Defendant BENT CORYDON in hopes that Defendant
14 BENT CORYDON would divulge vital information.

15 75. Pursuant thereto, agent Armistead advised Cross-
16 Defendants of certain documents MR. CORYDON had, and on Cross-
17 Defendants instructions, in September and October 1983, agent
18 Armistead went back to the CHURCH OF SCIOLOGOS and copied said
19 documents and forwarded them to Cross-Defendants.

20 76. Towards the end of 1983, agent Armistead was given
21 instructions designed to sabotage the Church. This was pursuant
22 to L. RON HUBBARD'S, "Ron's Journal 38" which was designed to
23 dissuade people from joining independent centers.

24 77. On March 5, 1984, Cross-Defendants, and each of them,
25 commenced a project aimed at financially wiping out Cross-
26 Defendants by swamping them with small claims court actions by
27 former Scientologists seeking return of donations. This project
28 was designed to "cave in" Cross-Plaintiff Marc Chacon

1 overworking him and forcing him to leave SCIOLOGOS.

2 78. Pursuant to the above plan, in addition to filing on
3 different dates numerous small claims actions, agent Armistead
4 was to befriend Defendant Marc Chacon and make comments to him,
5 as friendly suggestions, that he is tired, overworked, and that
6 perhaps it is all not worth it and he should leave Sciologos.
7 Cross-Defendants, and each of them, believe that SCIOLOGOS could
8 not operate without MARC CHACON. It was also believed by Cross-
9 Defendants that MARC CHACON was necessary to the defense and
10 prosecution of this litigation.

11 79. Simultaneously, Scientology, through agent Armistead,
12 continued to make every effort through the phony friendship with
13 Defendants and Cross-Plaintiffs, to learn all strategies involved
14 in the legal case.

15 80. Further, agent Armistead was to befriend Cross-
16 Defendant employee Jeannie Hansen and encourage her to get
17 involved in a Starway program which then would be arranged to
18 have meetings during the times that Defendant's Church needed her
19 the most.

20 81. Cross-Defendants, and each of them, pursuant to said
21 plans, have also taken actions designed to get Cross-Plaintiffs
22 parking lot away from the Church. Agent Armistead was further
23 instructed, and he did, to obtain floor plans of the Church where
24 each individuals office was, and who stayed at the Church at
25 night.

26 82. In 1984 upon discovering that Defendants BENT and MARY
27 CORYDON were going to New Zealand, plans were then made to harass
28 the CORYDON's in Europe. And in fact was verbally abused by

EXHIBIT B

1 Scientologists in said country while giving a lecture.

2 82a. In 1985 Scientology dragged Bent Corydon out of a phone
3 booth in Gilmore Hot Springs and threw him against a fence. In
4 1986, Bent Corydon was shoved by Scientologists while looking for
5 his attorney in a Federal Courthouse, said shoving occurring in
6 front of Cross-Defendant Heber Jentzch and Scientology attorney
7 John Peterson.

8 83. On or about February 1986, pursuant to said above
9 described conspiracy, and pursuant to plans first discussed in
10 1984, a tall heavy-set Scientologist entered the Church of
11 Sciologos, and after discovering that Defendant BENT CORYDON was
12 not present, proceeded to physically strike and beat up Cross-
13 Defendant MARC CHACON claiming they were interfering with the
14 Church of Scientology.

15 84. Continually, and to the present, Cross-Defendants, and
16 each of them, through their conspiracy have attempted to dissuade
17 followers of the Church of Sciologos from continuing in said
18 service. And in 1987, published in a book that Defendant Bent
19 Corydon was guilty of "criminal" acts against the Church.

20 85. Pursuant to the conspiracy, threatening phone calls
21 have been continuously made to Cross-Defendant's, and each of
22 them, and efforts in 1987 have been made to prevent publishing of
23 Bent Corydon's book.

24 86. On or about the beginning of April 1, 1987, Church of
25 Scientology members, identifying themselves as such, have begun
26 to call the non-listed private residence number of Sciologos
27 employee Bob Ross for purposes of harassment. And in at least
28 1987, Cross-Defendants have bugged Cross-Plaintiff's phones.

1 Twice in 1987, Cross-defendants have trespassed on Bent Corydon's
2 home and moved objects from therein into the street, i.e. one
3 plant and one chair.

4 87. Said actions, by Cross-Defendants, and each of them,
5 have interfered with the ability of the Church of Sciologos to
6 carry on its businesses, and has damaged the same in an amount to
7 be proven in court. As such actions were intentional, punitive
8 damages are demanded in the sum of \$30,000,000.00.

9 EIGHTEENTH CAUSE OF ACTION

10 BATTERY

11 BENT CORYDON and MARC CHACON v. ALL CROSS-DEFENDANTS

12 88. Paragraphs 71 through 86, and all paragraphs
13 incorporated therein are incorporated herein as if set forth
14 fully.

15 89. On or about February 6, 1986, pursuant to the ongoing
16 conspiracy described above, Cross-Defendants, and each of them,
17 for purposes of interfering with the defense and prosecution of
18 this litigation, sent a Scientologist into the Church of
19 Sciologos to physically beat up MARC CHACON. BENT CORYDON was
20 struck as set forth in paragraph 82a.

21 90. As a result thereof, MARC CHACON and BENT CORYDON
22 suffered damages in an amount to be proven in court. As such
23 acts were intentional and outrageous punitive damages are
24 demanded in the sum of \$30,000,000.00.

25 NINETEENTH CAUSE OF ACTION

26 INTENTIONAL INFLICTION OF EMOTIONAL DISTRESS

27 CROSS-PLAINTIFFS (EXCEPT BENT CORYDON AND PHIL BLACK) v. ALL
28 CROSS-DEFENDANTS

1 91. Paragraphs 71 through 86, 95, including all paragraphs
2 incorporated therein, are incorporated herein as if set forth
3 fully.

4 92. Said conduct on the part of Cross-Defendants, and each
5 of them, was designed to cause Cross-Plaintiffs emotional
6 distress and it was reasonably foreseeable from the same that
7 Cross-Plaintiffs would suffer emotional distress.

8 93. As approximate result thereof, Cross-Plaintiffs did in
9 fact suffer emotional distress, continues to suffer the same, and
10 has been damaged in an amount to be proven in court. As such
11 actions were intentional and willful punitive damages in the sum
12 of \$30,000,000.00 are sought.

13 TWENTIETH CAUSE OF ACTION

14 ABUSE OF PROCESS

15 ALL CROSS-PLAINTIFFS v. ALL CROSS-DEFENDANTS

16 94. Paragraphs 71 through 86, 95, including all paragraphs
17 incorporated therein are incorporated herein as if set forth
18 fully.

19 95. In 1987, Cross-Defendants, and each of them, have
20 wrongfully used the discovery process in this action for the
21 unrelated purposes of trying to prevent the publishing of a book
22 by Cross-Plaintiff Bent Corydon. Said acts include Notice to
23 Produce Documents, Motion to Compel, Orders to Show Cause on the
24 Publisher in Newark, New Jersey and threats on same.

25 96. Said actions have caused Cross-Complainant attorney
26 fees, loss of time, distress, damaging in an amount to be proven
27 in Court. As such acts were intentional and outrageous punitive
28 damages are demanded in the sum of \$30,000,000.00.

1 WHEREFORE Cross-Complainants pray for judgment as follows:

2 1. Should Cross-Defendants prevail on the complaint, then
3 for judgment against the MISSION and the ASSOCIATION in favor of:

4 a. BENT CORYDON, \$138,567.09 for back salaries, plus
5 interest,

6 b. MARY CORYDON, \$159,336.33 for back salaries, plus
7 interest,

8 c. MARK LUTOVSKY, \$10,004.41 for back salaries, plus
9 interest,

10 d. To BENT CORYDON and MARY CORYDON for monies lent in the
11 sum of \$100,765.10, plus interest.

12 e. Declaration in favor of CHURCH OF SCIOLOGOS that the
13 MISSION and ASSOCIATION are responsible for the \$115,911.08 claim
14 by the EMPLOYMENT DEVELOPMENT DEPARTMENT OF CALIFORNIA should
15 said agency be successful and damages for costs of defense of
16 said action according to proof, and a Declaration in favor of
17 CHURCH OF SCIOLOGOS that MISSION and ASSOCIATION are obligated to
18 pay said debts for back salaries to BENT CORYDON, MARY CORYDON
19 and MARK LUTOVSKY.

20 2. That SCIOLOGOS should have judgment against CHURCH OF
21 SCIENTOLOGY OF CALIFORNIA, RTC, COST, DOES 1 through 100, SMI.

22 GUARDIAN'S OFFICE, INTERNATIONAL FINANCE POLICE, CHURCH OF
23 SCIENTOLOGY INTERNATIONAL, CHURCH OF SCIENTOLOGY OF LOS ANGELES.

24 a corporation, CSI, MOWW, L. RON HUBBARD, FLAG:

25 a. \$40,000.00 for funds converted, plus interest,

26 b. punitive damages of \$5,000,000.00 plus interest,

27 - Except as against INTERNATIONAL FINANCE POLICE, CHURCH
28 OF SCIENTOLOGY OF LOS ANGELES, FLAG,

1 c. \$30,000.00 for breach of contract,
2 d. \$693,445.81 for fraud,
3 e. for punitive damages of \$5,000,000.00,
4 Except as against INTERNATIONAL FINANCE POLICE, CHURCH
5 OF SCIENTOLOGY, but also against HEBER JENTZCH and FREDDY ULLAN,
6 f. for \$7,251.34 for fraud, plus interest,
7 g. for punitive damages for \$5,000,000.00
8 3. That SCIOLOGOS shall have a judgment against CHURCH OF
9 SCIENTOLOGY OF CALIFORNIA, RTC, COST, DOES 1 through 100, SMI,
10 GUARDIAN'S OFFICE, TOM STEINER, CATHY STEINER, CSI, MOWW, L. RON
11 HUBBARD.
12 a. \$52,000.00 plus interest,
13 b. \$172,376.20 for losses due to fiduciary duty, plus
14 interest,
15 c. \$5,000,000.00 for punitive damages,
16 d. \$594,000.00 for mismanagement, plus interest.
17 Plus against USMO, but not against HUBBARD, TOM STEINER and
18 CATHY STEINER
19 e. \$36,000.00
20 4. SCIOLOGOS shall have judgment against:
21 a. TOM STEINER for \$3,289.15 for money owed, plus
22 interest,
23 b. GEROLD W. LANGENFELD for \$4,142.93 for money owed, plus
24 interest,
25 c. MARY ANN LANGENFELD for \$2,035.93 for money owed, plus
26 interest.
27 5. That SCIOLOGOS, BENT CORYDON, MARY CORYDON, MARK
28 LUTOVSKY, and MARC CHACON shall have judgment against the CHURCH

EXHIBIT B

1 OF SCIENTOLOGY OF CALIFORNIA, RTC, DOES 1-100, SMI,
2 GUARDIAN'S OFFICE, CSI, MOWW, COST, L. RON HUBBARD,
3 CHURCH OF SCIENTOLOGY, MISSION OF SUNNYSLOPE, CHURCH OF
4 SCIENTOLOGY, MISSION OF BUENAVENTURA, TOM STEINER and
5 CATHY STEINER, HEBER JENTZCH, KATHY HEARD:

6 a. For damages, for slander according to proof,

7 b. For punitive damages of \$5,000,000.00 each,

8 c. For damages for emotional distress.

9 6. For PHIL BLACK v. CHURCH SCIENTOLOGY OF
10 CALIFORNIA, RTC, DOES 1-100, SMI, GUARDIAN'S OFFICE, ED
11 LANCE, CHURCH OF SCIENTOLOGY, MISSION OF SUNNYSLOPE,
12 MOWW, CSI, L. RON HUBBARD:

13 a. Damages for emotional distress according to
14 proof,

15 b. Punitive damages in the sum of \$5,000,000.00.

16 7. For BENT CORYDON v. CHURCH OF SCIENTOLOGY OF
17 CALIFORNIA, RTC, DOES 1-100, SMI, COST, GUARDIAN'S
18 OFFICE, CSI, MOWW L. RON HUBBARD:

19 a. Damages for emotional distress according to
20 proof,

21 b. Punitive damages in the sum of \$5,000,000.00.

22 8. For all CROSS-COMPLAINANTS v. all CROSS-
23 DEFENDANTS:

24 a. For damages according to proof,

25 b. For punitive damages in the sum of
26 \$30,000,000.00,
27
28

- 1 c. For costs of suit,
- 2 d. Attorneys fees,
- 3 e. For such relief as the court deems just.
- 4

5 DATED:

6

7 SAYRE, MORENO, PURCELL & BOUCHER

8

9
10 FEDERICO C. SAYRE, ESQ.
11 TOBY L. PLEVIN, ESQ.

12

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28

1 PROOF OF SERVICE BY PERSONAL SERVICE

2 STATE OF CALIFORNIA)
3) ss
4 COUNTY OF LOS ANGELES)
5 _____)

6 I, Toby L. Plevin, am a resident of/employed in
7 the aforesaid county, State of California. I am over
8 the age of 18 years and not a party to the within
9 action. My business/residence address is: 10866
10 Wilshire Blvd., Fourth Floor, Los Angeles, California
11 90024.

12 On September 22, 1988, I served the foregoing:
13 SECOND AMENDED CROSS-COMPLAINT FOR MONEY OWED on the
14 interested parties in this action by placing a true
15 copy thereof, enclosed in a sealed envelope,
16 addressed as follows:

17 SEE ATTACHED SERVICE LIST

18
19 By personal service I caused such envelope to
20 be delivered by hand to the offices of the
21 addressee.

22 I certify under the penalty of perjury under
23 the laws of the State of California that the
24 foregoing is true and correct.

25 Executed on September 22, 1988
26 _____
27
28

EXHIBIT B

ATTACHED SERVICE LIST

LAWRENCE E. HELLER, ESQ.
LENSKE, LENSKE & HELLER
6400 CANOGA AVENUE
SUITE 315
WOODLAND HILLS, CA 91367

KENDRICK L. MOXON, ESQ.
BOWLES & MOXON
6255 SUNSET BLVD.
SUITE 2000
HOLLYWOOD, CA 90028

JAMES H. BERRY, JR., ESQ.
WYMAN, BAUTZER, KUCHEL & SILBERT
TWO CENTURY PLAZA, 14TH FLOOR
2049 CENTURY PARK EAST
LOS ANGELES, CA 90067

CHARLES SCHULTZ, ESQ.
REID & HELLYER
P.O. BOX 1330
RIVERSIDE, CA 92502-1300

JOHN PETERSON, ESQ.
PETERSON & BRYNAN
8530 Wilshire Blvd.
Suite 407
Beverly Hills, CA 90211

1
2 FEDERICO C. SAYRE, Esq.
3 SAYRE, MORENO, PURCELL & BOUCHER
4 10866 Wilshire Boulevard
5 Fourth Floor
6 Los Angeles, California 90024
7 (213) 475-0505

8
9 Attorneys for Plaintiff,
10 BENT CORYDON

ORIGINAL FILED
SEP 15 1988
COUNTY CLERK

11
12 SUPERIOR COURT OF THE STATE OF CALIFORNIA
13 FOR THE COUNTY OF LOS ANGELES

14 BENT CORYDON,

15 Plaintiff,

16 vs.

17 CHURCH OF SCIENTOLOGY
18 INTERNATIONAL, INC.; AUTHOR
19 SERVICES, INC.; AUTHOR FAMILY
20 TRUST; ESTATE OF L. RON
21 HUBBARD; HEBER JENTZSCH;
22 SHIRLEY YOUNG; DAVID
23 MISCAVIGE; TIMOTHY BOWLES;
24 BRAD BALLENTINE;
25 WARREN MCSHANE and DOES 1
26 through 100, inclusive,
27 Defendants.

CASE NO. C 694401

SECOND AMENDED COMPLAINT
FOR LIBEL; SLANDER;
LIBEL PER SE; SLANDER PER SE;
INTERFERENCE WITH ECONOMIC
ADVANTAGE; INTERFERENCE WITH
CONTRACTUAL RELATIONS;
INTENTIONAL INFLECTION OF
EMOTIONAL DISTRESS;
NEGLIGENT INFLECTION OF
EMOTIONAL DISTRESS

28 Plaintiff BENT CORYDON alleges as follows:

1. Plaintiff BENT CORYDON is an individual domiciled in
the State of California, County of Riverside.

2. Plaintiff is informed and believes and thereon alleges
that Defendants CHURCH OF SCIENTOLOGY INTERNATIONAL, INC. and

EXHIBIT C

1
2 AUTHOR SERVICES, INC. are, and at all times herein mentioned
3 were, California corporations duly authorized to do, and doing,
4 business in the State of California, County of Los Angeles.

5
6 3. Plaintiff is informed and believes, and thereon
7 alleges, that Defendants AUTHOR FAMILY TRUST and ESTATE OF L. RON
8 HUBBARD, and each of them, are entities duly formed and operating
9 under the laws of the State of California conducting business and
10 other activities in the County of Los Angeles.

11
12 4. Plaintiff is informed and believes, and thereon
13 alleged, that Defendants HEBER JENTZSCH and SHIRLEY YOUNG, and
14 each of them, are individuals operating in the County of Los
15 Angeles as agents, partners, members or employees of Defendant
16 CHURCH OF SCIENTOLOGY INTERNATIONAL, INC. (hereinafter referred
17 to as Defendant "Church").

18
19 5. Plaintiff is informed and believes, and thereon
20 alleges, that Defendants DAVID MISCAVIGE and TIMOTHY BOWLES are
21 individuals operating in the County of Los Angeles as agents,
22 partners, members or employees of Defendant CHURCH.

23
24 6. Plaintiff is informed and believes, and thereon
25 alleges, that the Defendants CHURCH and AUTHOR SERVICES, INC.,
26 and each of them, are subject to and operating under, a unity of
27 control agreement and arrangement, said separate alleged
28 corporate structures having been created for illicit and illegal
purposes, including but not limited to, avoidance of payment of

1 taxes and civil judgments. Said Defendants, and each of them,
2 operate a unity of personnel, co-mingle assets and work jointly
3 toward common business objectives.
4

5
6 7. Plaintiff is informed and believes, and thereon
7 alleges, that the designation of said Defendant organizations as
8 "churches" or other religious entities is fallacious and a sham
9 calculated and contrived to exploit protections of the First
10 Amendment of the United States Constitution, and at no time
11 herein mentioned did said Defendants render any religious
12 services, or engage in any religious activities whatsoever.
13 Rather, said organizations were created solely for the purpose of
14 making money from the sale of copyrights of the book Dianetics,
15 written by L. Ron Hubbard, and from the exploitation of thousands
16 of individuals, including Plaintiff, pursuant to delineated and
17 self-determined doctrines and policies.

18
19 8. The true names, identities or capacities, whether
20 individual, associate, corporate or otherwise, of Defendants DOES
21 1 through 100, are unknown to Plaintiff, who therefore sues said
22 Defendants by such fictitious names. When the true names,
23 identities or capacities of such fictitiously designated
24 Defendants are ascertained, Plaintiff will seek leave of Court to
25 amend this Complaint to insert the true names, identities and
26 capacities, together with the proper supporting charging
27 allegations.
28

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EXHIBIT C

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2 9. Plaintiff is informed and believes and thereon alleges
3 that each of the Defendants designated as a DOE is negligently,
4 consciously, willfully, intentionally, knowingly, recklessly,
5 despicably or otherwise tortiously or legally responsible in some
6 manner for the events and happenings herein referred to, and
7 negligently, consciously, willfully, intentionally, knowingly,
8 recklessly or despicably or otherwise tortiously caused the
9 injuries proximately thereby to Plaintiff as hereinafter alleged,
10 either through said Defendants' own activity, or through their
11 agents, servants, associates or employees, and each of them, or
12 due to said Defendants' own defamatory, slanderous or libelous
13 statements or conduct.

14
15 10. At all times herein mentioned each of the Defendants
16 was the agent, servant, employee, fellow member, associate and/or
17 joint venturer of each of the other remaining Defendants and was
18 at all times acting within the purpose and scope of said agency,
19 employment or joint venture and acting with the express and
20 implied knowledge, commission or consent of the remaining
21 Defendants, and each of them. The acts of each Defendant were
22 qualified and/or ratified by each other Defendant and, together,
23 constitute a single course of conduct.

24
25 11. From the period in or about 1962 until 1986 Plaintiff
26 was a recognized and qualified member of Defendant CHURCH.
27 Plaintiff was duly indoctrinated into the Defendant CHURCH by
28 regular and active recruitment techniques which involved claims
that the programs and benefits offered by Defendant CHURCH would

1
2 raise intelligent quotient to that of genius, prevent illnesses
3 in participants and other attractive occurrences. Plaintiff paid
4 substantial consideration to Defendant CHURCH for these programs.
5

6 12. In or about 1970, Plaintiff, having qualified for and
7 achieved the highest status of counselor and minister in
8 Scientology, within Defendant CHURCH, started his own franchise
9 "mission" in Riverside, California. Said mission was purchased
10 and subsidized wholly and exclusively with Plaintiff's monies and
11 assets, and operated as an autonomous entity entirely independent
12 of Defendant CHURCH under the general doctrine of Scientology.
13

14 13. In or about 1973, said franchise experienced rapid
15 growth and widespread success. By 1977 said franchise had 180
16 full-time staff members. At all times, Plaintiff's personal
17 assets, money and investments were used to support said
18 franchise enabling it to prosper and grow.
19

20 14. In or about 1978, Plaintiff was called to Florida by
21 Defendants, and each of them, for debriefing on the success of
22 his Riverside franchise. Plaintiff was instructed by Defendants,
23 and each of them, that he must sign over his franchise to
24 Defendants, and each of them, under the threat of subjection to
25 "Fair Game", a Defendant CHURCH doctrine and policy directing
26 that any individual or employee who expresses a lack of loyalty
27 or a refusal to comply with Defendants', and each of their,
28 orders is open to any form of harassment, economic ruin or

1
2 cause emotional or physical harm and/or financial ruin no matter
3 how invasive or despicable the method employed. This CHURCH
4 doctrine champions the destruction of an individual's business or
5 reputation, by a variety of tactics including framing false
6 charges of criminal acts. Subsequent to this threat as
7 communicated by Defendants, and each of them, and in response
8 thereto, Plaintiff was coerced by Defendants, and each of them,
9 to sign over and transfer his Riverside franchise to Defendants
10 so as to avoid the plight of "Fair Game."

11
12 15. In or about 1981, L. Ron Hubbard, President of
13 Defendant CHURCH, had gone into hiding and seclusion following an
14 F.B.I. raid on several Defendant CHURCH offices nationwide.
15 During said period of time, Plaintiff successfully recovered his
16 Riverside franchise and board member position from Defendants,
17 and each of them.

18
19 16. In or about 1980, Plaintiff was arrested and pleaded
20 guilty to assault charges, which charges arose when Plaintiff
21 became targeted to become State's evidence and testify against
22 Defendant Church. Defendants, and each of them, provided
23 Plaintiff with defense in this action, and said charges were
24 subsequently dropped.

25
26 17. In order to obtain or maintain a franchise within
27 Defendant CHURCH it is required that the franchisee be free of
28 any criminal record. Defendant, HEBER JENTZSCH, President of The
Church of Scientology International was present when Plaintiff

1
2 personally handed over documents and communicated to Defendant
3 CHURCH representatives that his record had been wholly expunged
4 for the 1980 charges of assault and his name wholly cleared.
5

6 18. On or about August 3, 1987, Defendants, and each of
7 them, specifically including Defendant HEBER JENTZSCH, caused to
8 be printed, published and circulated an article in the St.
9 Petersberg Times, a news publication of wide circulation which
10 articles contained the following untrue statements:

11 "Corydon has a criminal record! He has
12 obviously lied before, and I say when a
13 man has a criminal record, he has a
14 credibility problem."
15

16
17 19. Defendants, and each of them, caused such statements to
18 be published knowing them to be false and further knowing that
19 the untrue statement would reach readers of the paper and be
20 subject to widespread dissemination all to Plaintiff's injury and
21 damage.
22

23 20. In or about 1986, after breaking from Defendant CHURCH,
24 Plaintiff wrote a book entitled, L. Ron Hubbard; Messiah or
25 Madman? which contained a detailed expose of the indiscretions
26 and practices of Defendant Church. Defendants, and each of them,
27 knowingly and intentionally attempted to bribe two print factory
28 workers in order to get an early copy of the manuscript for their
own illicit purposes.

EXHIBIT C

1
2 21. Defendants, and each of them, filed a series of Court
3 orders in an attempt to force Plaintiff and his publisher, Lyle
4 Stewart, to turn over notes, tapes and sources upon which said
5 book was based. The legal costs incurred by Plaintiff in
6 opposing these meritless motions wholly eradicated Plaintiff's
7 royalties from his book.

8
9 22. Following publication of said book, Plaintiff was
10 invited to speak and spoke on various electronic media, including
11 CBS Morning Show, Nightwatch, and WWOR-TV. At several of these
12 shows, Defendants HEBER JENTZSCH, SHIRLEY YOUNG, TIMOTHY BOWLES,
13 and other Defendant CHURCH affiliates appeared or called in and
14 again, on behalf of all Defendants herein, falsely stated that
15 Plaintiff had a criminal record. Further, Defendants inundated
16 the media with similar false allegations critical of Plaintiff,
17 each aforestated communication having occurred while Defendants,
18 and each of them, knew the information to be false.

19
20 23. Defendants DAVID MISCAVIGE, Defendant CHURCH's top
21 executive and Hubbard's successor and DOES 1 through 25,
22 inclusive, and each of them, purposefully directed and instructed
23 agents of Defendant CHURCH to assault, batter, intimidate and
24 otherwise "rough up" Plaintiff. When the agents arrived to
25 effectuate this plan, Plaintiff was out and a co-worker and
26 associate of Plaintiff's was "roughed up" instead. While
27 assaulting and battering Plaintiff's associate, the agents of
28 Defendants, and each of them, stated: "Since Corydon's not here,
you'll do. You are standing in the way of Ron's Bridge!"

1
2 FIRST CAUSE OF ACTION

3 (Libel, as Against Each and Every Defendant)

4
5 24. Plaintiff realleges by this reference and incorporates
6 paragraphs 1 through 23 inclusive, and by this reference makes
7 them a part hereof.

8
9 25. On or after August 3, 1987, Defendants CHURCH, HEBER
10 JENTZSCH, SHIRLEY YOUNG and Does 1 through 50, inclusive, and
11 each of them, caused to be printed and circulated, certain
12 written matter wherein it was stated, charged and inferred that
13 Plaintiff had a criminal record and was involved in criminal
14 activity which assertions were wholly false. As such, the
15 writings libeled and defamed Plaintiff.

16
17 26. The acts of the Defendants, and each of them, were
18 conducted for the calculated and intended purpose of causing the
19 readers of said defamatory material to shun Plaintiff, to refrain
20 from buying Plaintiff's book, to damage and injure Plaintiff's
21 reputation, and to cause Plaintiff to suffer great and grievous
22 humiliation, embarrassment, anxiety, mental anguish and emotional
23 distress.

24
25 27. All such writings, statements, inferences and charges
26 therein contained, were false, were known to said Defendants, and
27 each of them, to be false when made, were made without
28 justification and privilege, and were made with the intent and
purpose of injuring and damaging Plaintiff's reputation, and to

EXHIBIT C

1
2 embarrass and humiliate Plaintiff, and to cause Plaintiff to
3 suffer great and grievous humiliatory embarrassment, mental
4 anguish and emotional distress.

5
6 28. As a direct and proximate result of said Defendants'
7 aforesaid defamatory publications, writings and conduct,
8 Plaintiff was injured and damaged in his business and reputation,
9 and was caused to suffer severe embarrassment, humiliation,
10 mental anguish and emotional distress, all to Plaintiff's general
11 damage in a sum to be determined according to proof at time of
12 trial.

13
14 SECOND CAUSE OF ACTION

15 (Slander, as Against Each and Every Defendant)

16
17 29. Plaintiff realleges by this reference and incorporates
18 paragraphs 1 through 28, inclusive, and by this reference makes
19 them a part hereof.

20
21 30. On or after August 3, 1987, on several different
22 broadcasts, Defendants, CHURCH, HEBER JENTZSCH, SHIRLEY YOUNG and
23 DOES 1 through 25, inclusive, and each of them, stated and
24 broadcasted to the general public at large that Plaintiff had a
25 criminal record.

26
27 31. All of Defendants' aforestated statements, charges and
28 accusations were false, and were known by Defendants, and each of
them, to be false when made, and were made without justification

EXHIBIT C

1
2 or privilege and were made with the calculated intent and purpose
3 of injuring and damaging Plaintiff's reputation, and to embarrass
4 Plaintiff and to cause Plaintiff to suffer humiliation, mental
5 anguish and emotional distress. As such, Defendants' statements
6 slandered and defamed Plaintiff.

7
8 32. As a direct and proximate result of Defendants'
9 conduct, statements and accusations, Plaintiff was injured in his
10 business and reputation, and was caused to suffer severe
11 embarrassment, humiliation, mental anguish and emotional
12 distress, all to his general damage in an amount according to
13 proof at time of trial.

14
15 33. As a further direct and proximate result of Defendants'
16 conduct, statements and accusations, Plaintiff suffered loss of
17 business opportunities, and loss of income and earnings. The
18 full nature and extent of said damages, loss of business
19 opportunities, and loss of income and earnings is not now known
20 to Plaintiff who will seek leave to amend this Complaint to
21 include such items of special damages, as herein set forth when
22 the same has been ascertained.

23
24 THIRD CAUSE OF ACTION

25 (Libel Per Se, As Against Each and Every Defendant)

26
27 34. Plaintiff realleges by this reference and incorporates
28 paragraphs 1 through 28, inclusive, and by this reference makes
them a part hereof.

EXHIBIT C

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2 35. On or after August 3, 1987, Defendants, and each of
3 them, caused to be printed and circulated, certain written matter
4 wherein it was falsely stated, charged and inferred that
5 Plaintiff had a criminal record. This material was clearly
6 libelous on its face since Defendants, and each of them, were
7 aware that the material was false and made without justification
8 or privilege. Due to their content, said defamatory writings
9 constituted libel per se and proximately caused the damages to
10 Plaintiff as heretofore alleged.

11
12 FOURTH CAUSE OF ACTION

13 (Slander Per Se, As Against Each and Every Defendant)

14
15 36. Plaintiff realleges by this reference and incorporates
16 paragraphs 1 through 23, inclusive, and paragraphs 29 through 33,
17 inclusive, and by this reference makes them a part hereof.

18
19 37. On or after August 3, 1987, on several different
20 broadcasts, Defendants, and each of them, stated and broadcast to
21 the general public that Plaintiff had a criminal record and had
22 been involved in criminal activities. These statements were
23 slanderous on their face since Defendants knew that the
24 statements were false and dealt with allegations of criminal
25 conduct.

26
27 38. Defendants', and each of their, above-described
28 conduct, was done for the sole purpose of injuring and damaging
Plaintiff's business and reputation, interfering with Plaintiff's

1
2 economic advantages and proximately causing Plaintiff to suffer
3 great emotional distress as heretofore set forth.
4

5 FIFTH CAUSE OF ACTION

6 (Interference with Prospective Economic Advantage
7 As Against Each and Every Defendant)

8 39. Plaintiff realleges by this reference and incorporates
9 herein paragraphs 1 through 38, inclusive, and by this reference
10 makes them a part hereof.
11

12 40. In or about January, 1986, Plaintiff entered into an
13 economic and business relationship with Lyle Stewart, Publisher
14 of Plaintiff's book together with the with the general public,
15 who were those who would purchase Plaintiff's book. At all
16 times, Defendants, and each of them, were aware of the existence
17 of the relationship between Plaintiff and his publisher and
18 between Plaintiff and the public.
19

20 41. At all said times herein mentioned Defendants, and each
21 of them, intended to and did use defamatory and false material to
22 demean and disgrace Plaintiff and to intentionally interfere with
23 Plaintiff's business concerns, as heretofore alleged.
24

25 42. At all said times herein mentioned Defendants, and each
26 of them, used threats, harassment, intimidation, bribes and other
27 despicable conduct to intentionally interfere with Plaintiff's
28 business by discouraging and preventing the distribution and sale
of Plaintiff's book.

1
2 43. The Defendants' statements, activities and conduct as
3 heretofore alleged, was done with the intent and purpose of
4 interfering with Plaintiff's business activities and to cause
5 Plaintiff to lose readers, business opportunities, income and
6 earnings. As a direct and proximate result of such statements,
7 activities and conduct, Plaintiff did lose readers, and buyers of
8 his book, business opportunities, and income and earnings which
9 would have occurred but for the actions of Defendants, and each
10 of them, all to Plaintiff's general damage. The exact amount and
11 extent of such damages have not been fully ascertained at this
12 time. Plaintiff will seek leave of Court to amend this Complaint
13 when such damages have been fully ascertained.
14

15
16 SIXTH CAUSE OF ACTION

17 (Interference with Contractual Relations
18 As Against Each and Every Defendant)

19 44. Plaintiff realleges by this reference and incorporates
20 herein paragraphs 1 through 43 inclusive, and by this reference
21 makes them a part hereof.
22

23 45. In or about January, 1986, Plaintiff entered into a
24 valid and existing contract with Lyle Stewart, publisher of
25 Plaintiff's book. At all times herein mentioned, Defendants, and
26 each of them, were aware and had knowledge of the existence of
27 this contract.
28

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EXHIBIT C

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2 46. At all times herein mentioned, Defendants, and each of
3 them, intended to use the defamatory and false material as
4 heretofore alleged to demean and discredit Plaintiff and to
5 intentionally make the performance of said contract difficult
6 and/or impossible.

7
8 47. Defendants, and each of them, used threats, harassment
9 and intimidation and bribes to intentionally interfere with
10 Plaintiff's performance of said contract.

11
12 48. Defendants', and each of their, statements, activities
13 and conduct as hereinabove alleged, were done with the intent and
14 purpose of interfering with Plaintiff's performance of said
15 contract and to cause Plaintiff to lose readers, business
16 opportunities, income and earnings. As a direct result of such
17 statements, activities and conduct, Plaintiff did lose readers,
18 potential buyers of his book, business opportunities, income and
19 earnings which would have accrued but for the actions of
20 Defendants are to Plaintiff's general damage as heretofore
21 alleged. The exact amount and extent of such damages have not
22 been fully ascertained at this time. Plaintiff will seek leave
23 of Court to amend this Complaint, when such damages are fully
24 ascertained.

25 / / /

26 / / /

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EXHIBIT C

1
2 SEVENTH CAUSE OF ACTION

3 (Intentional Infliction of Emotional Distress
4 As Against Each and Every Defendant)

5 49. Plaintiff realleges by this reference and incorporates
6 herein each of the allegations contained in paragraphs 1 through
7 48, inclusive.

8
9 50. Defendants, and each of them, employed intimidation
10 techniques and coercive methods of a psychological nature
11 including but not limited to, subjection of Plaintiff to the
12 policy of "Fair Game", threats and harassment while fully aware
13 of the particular susceptibility of Plaintiff to these tactics.
14 Said conduct and practices were intended to, and did, cause
15 Plaintiff severe emotional distress and upset all to Plaintiff's
16 general damage.

17
18 51. All of the Defendants' aforestated statements, writings
19 and conduct, as heretofore alleged, were made, performed and
20 published when Defendants, and each of them, knew that the false,
21 outrageous and demeaning character of their statements, writings
22 and conduct were likely to cause Plaintiff to suffer great and
23 grievous mental anguish and emotional distress, and were further
24 made, performed and published with a willful, wanton and
25 despicable disregard for Plaintiff's peace, health and
26 well-being, and for the further intent and purpose of causing
27 Plaintiff to suffer great and grievous mental anguish, emotional
28 distress, humiliation, anxiety, embarrassment and disgrace.

///

EXHIBIT C

1
2 52. As the proximate result of the Defendants' acts, as
3 heretofore set forth, Plaintiff did suffer the afore-mentioned
4 consequences and has been and is injured in mind and body all to
5 his general damage in an amount according to proof at trial.

6
7 53. The afore-mentioned acts of Defendants were willful,
8 wanton, despicable, malicious and oppressive and justify the
9 awarding of exemplary and punitive damages against Defendants,
10 and each of them, according to proof at time of trial.

11
12 EIGHTH CAUSE OF ACTION

13 (Negligent Infliction of Emotional Distress
14 As Against Each and Every Defendant)

15 54. Plaintiff realleges by this reference and incorporates
16 herein paragraphs 1 through 48, inclusive, and by this reference
17 makes them a part hereof.

18
19 55. That all of the Defendants' false and outrageous
20 statements, writings and conduct, as heretofore alleged, were
21 made, performed and published when Defendants knew or should have
22 known of the false, outrageous and demeaning character of said
23 statements, writings and conduct. Defendants knew, or in the
24 exercise of reasonable care, should have known and foreseen that
25 their statements, writings and conduct were likely to cause
26 Plaintiff to suffer great and grievous mental anguish and
27 emotional distress. Defendants made, performed and published the
28 aforestated statements and writings with wanton, reckless and
willful disregard for Plaintiff's peace, health and well-being

1 causing Plaintiff to suffer great and grievous mental anguish,
2 emotional distress, humiliation, anxiety, embarrassment and
3 disgrace.
4

5
6 56. As a direct and proximate result of Defendants'
7 willful, wanton and recklessly outrageous actions, as heretofore
8 set forth, Plaintiff has suffered, and continues to suffer, great
9 and grievous mental anguish, emotional distress, humiliation,
10 anxiety, embarrassment, and disgrace all to Plaintiff's general
11 damage in an amount the Court may deem just and proper according
12 to proof at trial.
13

14 NINTH CAUSE OF ACTION

15 (Interference with Prospective Economic Advantage
16 Against Each and Every Defendant)

17 57. Plaintiff realleges by this reference and incorporates
18 herein paragraphs 1 through 23, inclusive, and by this reference
19 makes them a part hereof.
20

21 58. Following the filing of a lawsuit captioned Church of
22 Scientology Mission of Riverside, et al. v. Bent Corydon, et al.,
23 Riverside Superior Court Case No. 154129 (hereinafter "COSMOR
24 Lawsuit"), by Defendants herein, Plaintiff and others filed a
25 First Amended Cross-Complaint in that action. The
26 Cross-Complainants in the COSMOR lawsuit shall be identified
27 herein as the "Cosmor Defendants. Defendants, and each of them,
28 thereafter entered in a conspiracy against the COSMOR Defendants,
including Plaintiff herein, pursuant to their "Fair Game"

1 policies. Under the Fair Game Policy people who are adverse to
2 the Church of Scientology are fair game for harassment,
3 intimidation, theft, and financial and personal ruin.
4

5
6 59. This conspiracy was carried out by secret plans which
7 were placed into action to harass Cosmor Defendants, instill
8 fear, interfere with their abilities to earn a living, and to
9 destroy the defense and prosecution in that case. This
10 conspiratorial plan included placing a spy in the offices at the
11 Cosmor Defendants for purposes of learning their litigation
12 strategy and for sabotaging the same.
13

14 60. Pursuant to this plan, Defendants herein recruited
15 Scientologist TOM ARMISTEAD to encourage conversation with
16 Plaintiff BENT CORYDON in hopes that he would divulge vital
17 information.
18

19 61. In furtherance of the conspiracy, agent ARMISTEAD
20 advised Defendants of certain documents in Plaintiff's
21 possession. On Defendants' instructions, in September and
22 October 1983, agent ARMISTEAD went back to the CHURCH OF
23 SCIOLOGOS and copied said documents and forwarded them to
24 Defendants.
25

26 62. Towards the end of 1983, agent ARMISTEAD was given
27 instructions designed to sabotage the Church. This was pursuant
28 to L. RON HUBBARD's, "Ron's Journal 38" which was designed to
dissuade people from joining independent centers.

1
2 63. On March 5, 1984, Defendants, and each of them,
3 commenced a project aimed at financially wiping out the Cosmor
4 Defendants by swamping them with small claims court actions by
5 former Scientologists seeking return of donations. This project
6 was designed to "cave-in" Plaintiff MARC CHACON by overworking
7 him and forcing him to leave SCIOLOGOS.

8
9 64. Pursuant to the above plan, in addition to filing on
10 different dates numerous small claims actions, agent ARMISTEAD
11 was to befriend COSMOR Defendant MARC CHACON and make comments to
12 him, as friendly suggestions, that he is tired, overworked, and
13 that perhaps it is all not worth it and he should leave
14 SCIOLOGOS. Defendants, and each of them, believed that SCIOLOGOS
15 could not operate without MARC CHACON. It was also believed by
16 Defendants that MARC CHACON was necessary to the defense and
17 prosecution of the earlier litigation.

18
19 65. Simultaneously, SCIENTOLOGY, through agent ARMISTEAD,
20 continued to make every effort through the phony friendship with
21 Plaintiffs, to learn all strategies involved in the COSMOR
22 action.

23
24 66. Further, agent ARMISTEAD was to befriend SCIOLOGOS
25 employee JEANNIE HANSEN and encourage her to get involved in a
26 Starway program which then would be arranged to have meetings
27 during the times that Plaintiff's CHURCH needed her the most.

28 / / /

/ / /

EXHIBIT. C

1
2 67. Defendants, and each of them, pursuant to said
3 conspiracy, have also taken actions designed to get SCIOLOGOS
4 parking lot away from the Church. In addition, agent ARMISTEAD
5 was further instructed, and he did, to obtain floor plans of the
6 Church where each individual's office was, and who stayed at the
7 Church at night.

8
9 68. In 1984, upon discovering that Plaintiff BENT CORYDON
10 and his wife were going to New Zealand, plans were then made to
11 harass the CORYDONS in Europe. In fact, they were verbally
12 abused by Scientologists in said country while giving a lecture.

13
14 69. In 1985 Agents of the Church of Scientology dragged
15 BENT CORYDON out of a telephone booth in Gilmore Hot Springs and
16 threw him against a fence.

17
18 70. In 1986, BENT CORYDON was physically assaulted by
19 Scientologists while looking for his attorney in a Federal
20 courthouse, said shoving occurring in front of Defendant HEBER
21 JENTZCH and Scientology attorney JOHN PETERSON.

22
23 71. On or about February 1986, pursuant to said above-
24 described conspiracy, and pursuant to plans first discussed in
25 1984, a tall heavy-set Scientologist entered the Church of
26 Sciologos, and after discovering that BENT CORYDON was not
27 present, proceeded to physically strike and beat up MARC CHACON
28 claiming they were interfering with the Church of Scientology.

/ / /

BIT C

1
2 71. Continually, and to the present, Defendants, and each
3 of them, through their conspiracy have attempted to dissuade
4 followers of the Church of Sciologos from continuing in said
5 service. And in 1987, they published the lie that Plaintiff BENT
6 CORYDON was guilty of "criminal" acts against the Church.

7
8 72. Pursuant to the conspiracy, threatening telephone calls
9 have been continuously made to Plaintiff and to other Defendants
10 in the COSMOR lawsuit, and each of them, and efforts in 1987 were
11 made to prevent publishing of BENT CORYDON's book, including
12 attempts to steal same.

13
14 73. On or about the beginning of April 1, 1987, Church of
15 Scientology members, identifying themselves as such, began to
16 call the non-listed private residence number of Sciologos
17 employee Bob Ross for purposes of harassment. And in at least
18 1987, Cross-Defendants have bugged Cross-Plaintiff's telephones.
19 Twice in 1987, Defendants have trespassed on BENT CORYDON's home
20 and moved objects from therein into the street, i.e., one plant
21 and one chair.

22
23 74. Said actions, by Cross-Defendants, and each of them,
24 have interfered with the ability of the Church of Sciologos to
25 carry on its businesses. It has been damaged the same in an
26 amount to be proven in court and both compensatory and punitive
27 damages are demanded.

28 / / /

/ / /

EXHIBIT C

1
2 TENTH CAUSE OF ACTION

3 (Intentional Infliction of Emotion Distress
4 Against All Defendants)

5 75. Plaintiff realleges by this reference and incorporates
6 paragraphs 1 through 23, and paragraphs 57 through 74, and by
7 this reference makes them a part hereof.

8
9 76. Said conduct on the part of Defendants, and each of
10 them, is egregious and beyond the bounds of decency and was
11 designed to cause Plaintiff emotional distress. It was
12 reasonably foreseeable from the same that Plaintiff would suffer
13 emotional distress from those actions.

14
15 77. As a proximate result thereof, Plaintiff did in fact
16 suffer emotional distress, continue to suffer the same, and has
17 been damaged in an amount to be proven at the time of trial. As
18 such actions were intentional, malicious and willful punitive
19 damages are also demanded.

20 / / /

21 / / /

22 / / /

23 / / /

24 / / /

25 / / /

26 / / /

27 / / /

28 / / /

/ / /

EXHIBIT C

1
2 WHEREFORE, Plaintiff prays for judgment against Defendants,
3 and each of them, as follows:

4
5 1. General damages in a sum according to proof at time of
6 trial in excess of the minimum jurisdictional amount of this
7 Court;

8
9 2. All statutory damages in a sum in excess of the minimum
10 jurisdictional amount of this Court;

11
12 3. All special damages according to proof at time of
13 trial;

14
15 4. For exemplary and punitive damages in an amount
16 according to proof at time of trial;

17
18 5. For costs of suit and attorney's fees incurred herein;

19
20 6. For such other and further relief as the Court may deem
21 just and proper.

22
23 DATED: September 12, 1988

SAYRE, MORENO, PURCELL & BOUCHER

24
25 By: 

FEDERICO C. SAYRE, Esq.
Attorneys for Plaintiff
Bent Corydon

PROOF OF SERVICE BY HAND

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss

I, Evelyn Taylor, am a resident
of/employed in the aforesaid county, State of
California. I am over the age of 18 years and not a
party to the within action. My business/residence
address is: 10866 Wilshire Blvd., Fourth Floor, Los
Angeles, California 90024.

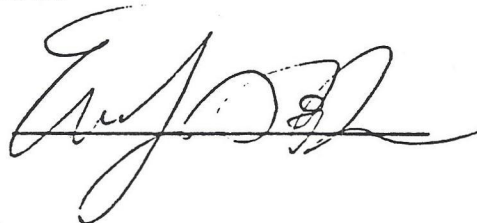
On October 28, 1988, I served the foregoing:
JOINDER IN MOTION TO UNSEAL FILE on the interested
parties in this action by placing a true copy
thereof, enclosed in a sealed envelope, addressed as
follows:

SEE ATTACHED SERVICE LIST

By personal service, I caused such envelope to
be delivered by hand to the offices of the
addressee.

I certify under the penalty of perjury under
the laws of the State of California that the
foregoing is true and correct.

Executed on October 28, 1988



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SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,)

Plaintiff,)

vs.)

GERALD ARMSTRONG, DOES 1 THROUGH)
10, INCLUSIVE)

Defendants.)

MARY SUE HUBBARD,)

Intervenor.)

GERALD ARMSTRONG,)

Cross-Complainant,)

vs.)

CHURCH OF SCIENTOLOGY OF CALIFORNIA,)
a California corporation, et al.,)

Cross-Defendants.)

ORIGINAL FILED

NOV 2 1988
COUNTY CLERK

Case No. C 420 153

PLAINTIFF/INTERVENOR'S
AND CROSS-DEFENDANT'S
OPPOSITION TO
MOTION TO UNSEAL
FILE

Date: November 9, 1988
Time: 9:00 a.m.
Dept: 56

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I.

INTRODUCTION

Plaintiff/cross-defendant Church of Scientology of California ("CSC") and intervenor Mary Sue Hubbard oppose non-party Bent Corydon's Motion to Unseal File in this case ("Motion"). First, Corydon has no standing to bring such a motion as he is not a party and has not sought to intervene in the case (Code of Civil Procedure section 387). Further, Mr. Corydon has not shown any compelling reason for dissolving the seal on the Court's file established as an indispensable element of the December 1986 settlement of the parties nor for dissolving the seal previously established in this case for the confidentiality of privileged exhibits.

II.

FACTS

The original lawsuit in this action was brought in 1982 by CSC to recover private documents stolen by defendant Gerald Armstrong ("Armstrong"). Mrs. Hubbard intervened in the case in November, 1982 to protect her privacy interests in the documents. Armstrong filed a countersuit in September, 1982, an action which was bifurcated from the original suit in June, 1983. Judge Breckenridge, now retired, presided over the trial court proceedings beginning in April, 1984 (Bowles Declaration, para. 2).

The original suit was tried before Judge Breckenridge without a jury in May, 1984. In a June 20, 1984 Memorandum of Intended Decision ("Decision"), Judge Breckenridge found that the defendant Armstrong had converted the documents at issue and

1 invaded Mrs. Hubbard's rights to privacy. Along with
2 maintaining a seal on private papers that had been deposited
3 with the Court at the outset of litigation, the Decision sealed
4 a number of exhibits from the public view on privilege grounds.
5 This sealing has been upheld in separate federal
6 litigation.^{1/} While the Decision opened other exhibits to
7 public inspection, a series of appeals and separate civil rights
8 actions effectively kept these papers under seal as well until
9 December 1986 when they were returned to the plaintiff by order
10 of the Court (Bowles Declaration, paras. 3 & 4).

11 After lengthy negotiations, the parties presented Judge
12 Breckenridge on December 11, 1986 with a settlement of
13 Armstrong's countersuit. An integral, indispensable part of
14 that settlement was the sealing of the Court's record and the
15 stolen documents held by the Court (see Exhibit A, transcript
16 of December 11, 1986 hearing, reporter's transcript ("RT")
17 1 - 3). That aspect of the settlement was documented in the
18 Stipulated Sealing Order executed and entered by Judge
19 Breckenridge on December 11, 1986:

20 "The entire remaining record of this case, save only
21 this order, the order of dismissal of the case, and
22 any orders necessary to effectuate this order and
23 the order of dismissal, are agreed to be placed
24 under the seal of the Court."

25 1. See United States v. Zolin (9th Cir. 1988) 809 F.2d
26 1411, 1413-1414, 1417-1419; order for en banc hearing vacated
27 (9th Cir. 1988) 842 F.2d 1135. On October 17, 1988, the
28 Supreme Court of the United States granted certiorari on the
issue of sealing these documents (57 U.S.L.W. 3274). Oral
argument is expected sometime in spring or fall, 1989. Unless
and until the U.S. Supreme Court reverses any finding of
privilege, the Ninth Circuit decision is the law of the case.
O'Connor v. Donaldson (1975) 422 U.S. 563, 577 fn 12, 95
S.Ct. 2486, 45 L.Ed.2d 396.

1 (Exhibit B, paragraph 2).^{2/} The countersuit was dismissed
2 with prejudice by Judge Breckenridge on that same day, December
3 11, 1986 (Exhibit C).^{3/}

4
5 III.

6 THE ORDER OF THIS COURT TO SEAL THE FILE WAS
7 AN INDISPENSABLE FACTOR IN ACHIEVING SETTLEMENT
8 AND SHOULD NOT BE DISTURBED

9 The attached transcript of the December 11, 1986 hearing
10 makes it clear that the sealing of the Court's record in this
11 case, protecting the privacy of all litigants involved, was
12 an integral and indispensable part of the final resolution of
13 defendant's counterclaims at the trial level (Exhibit A).
14 Unsealing this file will allow a non-party to unravel arduous
15 negotiations which ended with a settlement satisfactory to both
16 sides (Exhibit A, RT 1 - 3). Such an action would be in direct
17 violation of the policy of California's courts to encourage and
18 uphold the pre-trial resolution of disputes (Phelps v.
19 Kozakar (1983) 146 Cal.App.3d 1078, 1082, 194 Cal.Rptr. 872;
20 Fisher v. Superior Court for Los Angeles County (1980) 103
21 Cal.App.3d 434, 437, 440-441, 163 Cal.Rptr. 47. Further, the
22 protection of privacy is a compelling justification for the
23 establishment and maintenance of court sealing orders.
24 Champion v. Superior Court (1988) ____ Cal.App.3d ____, 247

25 2. Moving party's citation to Judge Breckenridge's grant
26 of partial access to exhibits (Motion, paras. 5 and 6) is
27 irrelevant, having been superseded by the December 11, 1988
28 sealing order and settlement of defendant's claims.

26 3. Since the settlement and sealing of the record, John G.
27 Peterson, CSC's signatory counsel on the settlement, died on
28 July 28, 1987. Judge Breckenridge retired from the bench on May
31, 1988.

1 Cal.Rptr. 624, 629.⁴/ Corydon's motion should be denied on
2 this basis alone.

3 IV.

4 THIS COURT'S ORDER SEALING PRIVILEGED DOCUMENTS
5 HAS BEEN UPHELD BY TWO FEDERAL COURTS
6 AND SHOULD NOT BE REVERSED

7 In addition to the December 11, 1986 sealing order, a
8 number of documents in the Court's file are also sealed as
9 privileged by Judge Breckenridge's 1984 Decision (see Ford v.
10 Superior Court (1987) 118 Cal.App.3d 737, 740, 233 Cal.Rptr.
11 607, 608, fn 1, para. 3(b)). In subsequent litigation with the
12 United States government to decide the issue of the production
13 of these documents to federal agencies, both the U.S. District
14 Court, Central District of California and the U.S. Court of
15 Appeals for the Ninth Circuit have held that these documents
16 should not be disclosed (United States v. Zolin, supra 809
17 F.2d at 1413 - 1414, 1417 - 1419).

18 The status quo should also be maintained with regard to
19 this pre-settlement sealing order. Without any legal or factual
20 showing on the issues of privilege, Mr. Corydon cannot expect
21 this Court to reverse a decision made by the trial judge after
22 benefit of full presentation of the facts (San Bernardino
23 Unified Sch. D. v. Superior Court (1987) 190 Cal.App.3d 233,
24 240-241, 235 Cal.Rptr. 356). Moreover, Corydon has demonstrated
25 no basis for this Court to undermine the Ninth Circuit's final

26 4. Moving party cites Penal Code section 1203.45 in
27 support of opening up the file in this case (Motion, para. 5).
28 The statute is irrelevant. Section 1203.45(f) deals solely with
the unsealing of criminal misdemeanor records in defamation
cases, not at issue herein.

1 determination of the privilege issue in Zolin (see footnote 1,
2 supra).

3 V.

4 CORYDON HAS NOT MADE AN ADEQUATE SHOWING OF NEED WHICH
5 WOULD JUSTIFY REVERSAL OF THIS COURT'S PRIOR SEALING ORDERS .

6 Moving party's counsel represents Corydon in the matters of
7 Jentzsch v. Corydon, California Superior Court, Los Angeles
8 County No. NVC 14274 and Carmichael v. Corydon, California
9 Superior Court, Riverside County No. 189414, Judicial Council
10 Coordination Proceeding No. 2151 ("Jentzsch/Carmichael")
11 (see Motion, para. 2). Those coordinated matters concern
12 defamatory statements made by Corydon against plaintiffs, both
13 ministers in the Church of Scientology, in various radio
14 broadcasts in August, 1987. Corydon has raised the defenses of
15 truth and opinion in both cases (Bowles Declaration, para. 8).

16 Corydon claims in the Motion that he needs access to the
17 sealed files in this instant case in order to establish his
18 truth defense against Reverend Jentzsch and to corroborate
19 claims made by declarant Vicki Aznaran. In particular, Corydon
20 seeks (i) a certified copy of Judge Breckenridge's factual
21 findings made at the conclusion of the 1984 trial (see
22 "Memorandum of Intended Decision," attached as Exhibit A to the
23 Motion), and (ii) general access to the exhibits and the court
24 file in the case (Motion, paras. 7 - 10, Morantz Declaration,
25 paras. 3, 5).

26 A. Moving Party Has No Need for Access to the File for
27 Collateral Estoppel Purposes: Corydon claims he needs to
28 unseal this record in order to establish collateral estoppel in

1 his own litigation, in particular through a certified copy of
2 Judge Breckenridge's June 20, 1984 Memorandum of Intended
3 Decision ("Decision"). However, Corydon cannot establish
4 collateral estoppel in his litigation through the instant case.
5 The plaintiffs in Jentzsch/Carmichael and the parties in
6 Armstrong are neither the same nor in privity, nor are the
7 issues identical in these cases (Montana v. U.S. (1979) 440
8 U.S. 147, 153, 99 S.Ct. 970, 59 L.Ed.2d 210; Lynch v. Glass
9 (1975) 44 Cal.App.3d 943, 947, 119 Cal.Rptr. 139).

10 B. Moving Party Has Made No Showing That the
11 Materials Sought Will Help Establish Any Fact in His Own
12 Litigation: In addition to the claimed need for access to the
13 Court file for collateral estoppel purposes, moving party claims
14 he needs access to the pleadings and exhibits in order (1) to
15 establish the falsity of Reverend Jentzsch's purported comments
16 on a BBC broadcast (Motion, para. 9) and (2) to establish a
17 purported practice of destruction of documents (Motion, para.
18 10). Both rationales are without merit.

19 (1) Reverend Jentzsch's Purported Comments: Corydon has
20 attached an unauthenticated excerpt from a purported BBC
21 interview of Reverend Jentzsch (Exhibit B to the Motion).
22 Moving party claims that Jentzsch stated that Judge
23 Breckenridge's Decision was "Nazi influenced" (Motion, para.
24 9). Even assuming the quote in Exhibit B is accurate, it states
25 only that Judge Breckenridge's criticisms of the Churches of
26 Scientology contained in the Decision were similar to those made
27 by a former SS officer. To allow access to the file in order to
28 determine if Judge Breckenridge was influenced by Nazis is

1 patently absurd. Corydon has failed to show how such
2 determination would have any relevance to issues in his own
3 litigation. Moreover, Corydon has never directly inquired of
4 Reverend Jentzsch his basis for the purported statement (Bowles
5 Declaration, para. 8).

6 (2) Purported Destruction of Documents: Moving party has
7 attached to the Motion an unauthenticated copy of a declaration
8 by a Vicki Aznaran describing her actions relative to the
9 removal of papers from various files. Corydon claims he needs
10 access to the court record in this case in order to confirm such
11 claims of Aznaran (Motion, para. 10). Yet Aznaran's claims of
12 destruction make no reference to Jentzsch or Carmichael and
13 Corydon has not otherwise made such a connection. There is no
14 evidence, let alone a claim, presented in the Motion that either
15 Reverend Jentzsch or Carmichael have withheld or done away with
16 documents requested produced in the Jentzsch/Carmichael
17 litigation.

18 In short, Corydon has made no demonstration of need which
19 outweighs the policy considerations of privacy and the upholding
20 of pretrial settlements which currently hold the various seals
21 on the files in place. As such, the Motion should be denied.

22 VI.

23 ATTEMPTED JOINDER PAPERS FROM OTHER LITIGANTS
24 SHOULD BE STRICKEN AS UNTIMELY

25 On October 28, 1988, plaintiff's current counsel was
26 indirectly notified of the filing that day of a "Joinder in
27 Motion to Unseal File" along with a supporting declaration of
28 counsel Toby L. Plevin seeking a further order to unseal the

1 Armstrong file on behalf of seven individuals and entities
2 ("joinder parties"), various litigants in Church of
3 Scientology, Mission of Riverside, et al. v. Corydon, et al.
4 and related cases, California Superior Court, Riverside County
5 No. 154129 ("Church v. Corydon") and Corydon v. Church of
6 Scientology International, et al. California Superior Court,
7 Los Angeles County No. 694401 (Bowles Declaration, para.
8 7).^{5/}

9 Law Departments Policy Manual section 111 dictates that the
10 joinder pleading be stricken:

11 "Joinders in motions which have the effect of
12 seeking an order in favor of the joining party, as
13 distinguished from mere expression of support, are
14 treated the same as motions made by the joining
15 party. Thus, the joining party must comply with all
16 notice requirements per CCP Sections 1005 and 1013,
17 as though it had filed the motion itself, and it may
18 not rely on the fact that the moving party gave
19 adequate notice with the filing of the original and
20 underlying motion."

21 The joinder and its supporting Plevin Declaration,
22 adding additional bases for access to the file on behalf of new
23 parties, must have been filed and served no later than October
24 25, 1988, 15 days prior to the November 9, 1988 hearing date
25 (Code of Civil Procedure section 1005).

26 Even if it had been timely filed, the joinder motion would
27 have to be denied on its merits as "joinder parties" have
28 failed to demonstrate any more compelling basis for dissolving
the sealing orders than Corydon's counsel in Jentzsch/

5. The proof of service indicates that moving party failed
to serve any of the current counsel of record in this case. It
was only by relay of the motion by attorney Lawrence Heller to
current counsel for plaintiffs/intervenor that CSC and Mrs.
Hubbard had any notice at all of this pending matter (Bowles
Declaration, para. 6).

1 Carmichael.

2 First, as with Corydon in Jentzsch/Carmichael the joinder
3 parties are not parties to this Armstrong litigation nor have
4 they sought to intervene in this case (Code of Civil Procedure
5 section 387).

6 Second, the joinder seeks a certified copy of the Decision,
7 an action rendered unnecessary by the lack of collateral
8 estoppel effect of the Decision (see Section V(A), supra).

9 Third, the joinder and the Plevin Declaration variously
10 claim that a search of the entire Armstrong file for evidence
11 of "fair game," Scientology's religious status and the formation
12 of Scientology Missions International is "essential," "crucial,"
13 and "important." (Plevin Declaration, paras. 4 - 7.) Yet they
14 have given no specific reference to any portion of the
15 Armstrong record that would pertain to these topics, nor have
16 they provided any showing of necessity of access. At the same
17 time they filed this joinder, said parties have claimed in their
18 own case that there is no further need to conduct discovery on
19 either side (Bowles Declaration, para. 9).

20 Moreover, these parties have admitted in several depositions
21 and declarations in Church v. Corydon that they searched and
22 obtained documents from the Armstrong file prior to imposition
23 of the sealing orders at issue herein. (Bowles Declaration,
24 para. 10 and attached Exhibits D, E and F.) In fact, Mary
25 Corydon testified that joinder parties already have possession
26 of all Armstrong exhibits:

27 Q. Okay. What documents did you view that you
28 understood were from the Armstrong case?

1 A. I can't remember, specifically. There were so many
2 of them.

3 Q. How many were there?

4 A. A pile.

5 Q. How tall a pile?

6 A. Like that, I suppose.

7 Q. The witness is showing -- what? -- about eight
8 inches off the top of the table?

9 A. Yeah, there was a box of them.

10 Q. Eight and a half by eleven?

11 A. I imagine, I think so.

12 Q. And these were -- what? -- all exhibits in the
13 Armstrong case?

14 A. Yes

15 Q. Do you know who obtained them?

16 A. I think they were public record. I'm not sure.

17 Q. Do you know who [from your group] obtained them?

18 A. Bent, I think.

19 Exhibit D, RT 510-511.^{6/}

20 As such, joinder parties' characterizations of access to
21 this now sealed file as "essential," etc. are disingenuous.
22 They have made no showing of need that would outweigh the
23 significant privacy interests inherent in the current sealing
24 orders that are held by the Armstrong litigants (Porten v.
25 University of San Francisco (1976) 64 Cal.App.3d 825, 828,
26 829, 134 Cal.Rptr. 839).

27 6. Joinder parties' obtaining this bankers box of exhibits
28 may well have been in violation of this Court's various sealing
orders (Bowles Declaration, paras. 3, 4 and 5; Exhibits A, B,
C).

VII.

CONCLUSION

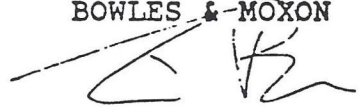
Moving party has failed to demonstrate any compelling reason, let alone a rational basis, for unsealing the files in this case. " Such files were sealed by order of Judge Breckenridge as an integral part of settlement between the parties. Such settlement was preceded by Judge Breckenridge's sealing of certain exhibits in the file as privileged, a holding that has been confirmed in separate litigation by the Ninth Circuit. Such seals should remain in place to protect the privacy rights of the litigants. Champion v. Superior Court, (1988) ___ Cal.App.3d ___, 247 Cal.Rptr. 624, 629.

Dated: November 2, 1988

Respectfully submitted,

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SUPERIOR COURT OF THE STATE OF CALIFORNIA

COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,)

Case No. C 420 153

Plaintiff,)

vs.)

GERALD ARMSTRONG, DOES 1 THROUGH
10, INCLUSIVE)

Defendants.)

MARY SUE HUBBARD,)

Intervenor.)

GERALD ARMSTRONG,)

Cross-Complainant,)

vs.)

CHURCH OF SCIENTOLOGY OF CALIFORNIA,
a California corporation, et al.,)

Cross-Defendants.)

DECLARATION OF
TIMOTHY BOWLES IN
SUPPORT OF PLAINTIFF/
INTERVENOR'S AND
CROSS-DEFENDANT'S
OPPOSITION TO MOTION
TO UNSEAL FILE

Date: November 9, 1988
Time: 9:00 a.m.
Dept: 56

1 I, Timothy Bowles, declare:

2 1. I am a partner in the firm of Bowles and Moxon. I am
3 counsel of record in this case for plaintiff and cross-defendant
4 Church of Scientology of California ("CSC"). I am submitting
5 this declaration in support of plaintiff's and intervenor's
6 opposition to non-party Bent Corydon's Motion to Unseal File in
7 this case ("Motion"). I could and would testify competently to
8 the following if called upon to do so.

9 2. The original lawsuit in this action was brought in 1982
10 by CSC to recover private documents stolen by defendant Gerald
11 Armstrong ("Armstrong"). Mary Sue Hubbard intervened in the
12 case in November, 1982 to protect her privacy interests in the
13 documents. Armstrong filed a countersuit in September, 1982, an
14 action which was bifurcated from the original suit in June,
15 1983. Judge Breckenridge, now retired, presided over the trial
16 court proceedings beginning in April, 1984.

17 3. The original suit was tried before Judge Breckenridge
18 without a jury in May, 1984, resulting in his issuance of a
19 "Memorandum of Intended Decision," dated June 20, 1984
20 ("Decision") which was entered as part of the judgment in the
21 case on August 10, 1984. In the Decision, Judge Breckenridge
22 found that the defendant Armstrong had converted the documents
23 at issue and invaded Mrs. Hubbard's rights to privacy. Along
24 with maintaining a seal on private papers that had been
25 deposited with the Court at the outset of litigation, the
26 Decision sealed a number of exhibits from the public view on
27 privilege grounds. This sealing has been upheld in separate
28 federal litigation. United States v. Zolin (9th Cir. 1988)

1 809 F.2d 1411, 1413-1414, 1417-1419.

2 4. While the Decision opened other exhibits to public
3 inspection, a series of appeals and separate civil rights
4 actions effectively kept these papers under seal as well
5 until December 1986 when they were returned to the plaintiff
6 by order of the Court.

7 5. On December 11, 1986, Judge Breckenridge sealed the
8 Court's file in this case as an indispensable part of the
9 settlement of Armstrong's counterclaim. That counterclaim was
10 dismissed with prejudice the same day.

11 6. On or about October 17, 1988, I received a copy of the
12 Motion at issue from attorney Lawrence Heller. The proof of
13 service indicates that service was effected upon the law firms
14 of Peterson & Brynan, Litt & Stormer and Lenske, Lenske &
15 Heller. There is no date of service indicated on that document.
16 None of the firms purportedly served with the Motion are
17 attorneys of record in this case. Mr. Peterson, former counsel
18 for CSC, died on July 28, 1987, a fact I relayed to Mr.
19 Corydon's counsel, Mr. Morantz, in the first week of August,
20 1987.

21 7. I am counsel for various cross-defendant Churches of
22 Scientology and individual Scientologists in the matter of
23 Church of Scientology, Mission of Riverside, et al. v.
24 Corydon, et al. and related cases, California Superior Court,
25 Riverside County No. 154129 ("Church v. Corydon"). On
26 October 28, 1988, I was served with a motion for protective
27 order prepared in Church v. Corydon by Toby L. Plevin,
28 attorney for defendants and cross-complainants in that case.

1 Exhibit E to that motion was a copy of a "Joinder in Motion to
2 Unseal File" in this instant case ("Joinder") which indicated by
3 its proof of service that Ms. Plevin had limited her service of
4 the Joinder upon the same three law firms that Mr. Morantz
5 served as described in paragraph 6 above.

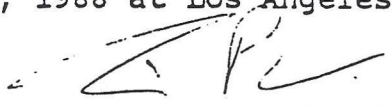
6 8. I am also counsel for plaintiff Heber Jentzsch in the
7 matter of Jentzsch v. Bent Corydon, California Superior Court,
8 Los Angeles County No. NVC 14274, currently coordinated with
9 Carmichael v. Bent Corydon, California Superior Court,
10 Riverside County No. 189414, Judicial Council Coordination
11 Proceeding No. 2151 ("Jentzsch/Carmichael"). Mr. Morantz is
12 the counsel of record for defendant Corydon in those cases.
13 Those coordinated matters concern defamatory statements made by
14 Corydon against plaintiffs, both ministers in the Church of
15 Scientology, in various radio broadcasts in August, 1987.
16 Corydon has raised the defenses of truth and opinion in both
17 cases. He claims in the Motion that he needs a certified copy
18 of the Decision for use in Jentzsch/Carmichael. Regarding
19 Exhibit B to the Motion, defendant has not in any discovery
20 conducted in Jentzsch/Carmichael inquired of Reverend Jentzsch
21 his basis for any purported statements regarding parallels
22 between parts of the Armstrong Decision and positions taken by
23 former SS officer Paul Dikhoff.

24 9. In her Joinder papers, Ms. Plevin claims that her
25 clients need to dissolve the seals in this instant case in order
26 to conduct discovery on certain topics. At the same time they
27 filed the Joinder claiming they need to conduct discovery, Ms.
28 Plevin's seven clients are claiming in their protective order

1 motion in Church v. Corydon that in the absence of a specific
2 trial date set by the court, there is no need to take further
3 discovery in that case.

4 10. Moreover, Ms. Plevin's clients have admitted in
5 several depositions and declarations in Church v. Corydon
6 that they searched and obtained documents from the Armstrong
7 file prior to imposition of the sealing orders at issue herein.
8 See Exhibits D, E and F to this opposition.

9 I declare under penalty of perjury under the laws of
10 California that the foregoing is true and correct. Executed
11 this 2nd day of November, 1988 at Los Angeles, California.

12 
13 _____
14 Timothy Bowles
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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 57

HON. PAUL G. BRECKENRIDGE, JR., JUDGE

GERALD ARMSTRONG,

Cross-Complainant,

vs.

No. C 420 153

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Cross-Defendant.

MARY SUE HUBBARD,

Intervenor.

REPORTER'S TRANSCRIPT OF PROCEEDINGS

Thursday, December 11, 1986

APPEARANCES:

For the Cross-
Complainant:

CONTOS & BUNCH
By: JULIA DRAGOJEVIC and
MICHAEL FLYNN
5855 Topanga Canyon Boulevard
Suite 400
Woodland Hills, California 913677

For the Cross-
Defendant:

PETERSON & BRYNAN
By: JOHN G. PETERSON
8530 Wilshire Boulevard, Suite 407
Beverly Hills, California 90211

(Appearances
Continued Inside)

COPY

NANCY L. HARRIS, CSR No. 644
Official Reporter

APPEARANCES: (Continued)

For the Founding
Church of Scientology
and Intervenor:

MICHAEL LEE HERTZBERG
Pro Hac Vice
275 Madison Avenue
New York, New York 10016

Also Present:

LAWRENCE E. NELLER

1 LOS ANGELES, CALIFORNIA; THURSDAY, DECEMBER 11, 1986; 4:03 P.M.

2 ---oOo---

3
4 THE COURT: All right. The parties are here on Armstrong
5 versus Church of Scientology.

6 MR. FLYNN: We are here.

7 After lengthy negotiations, Your Honor, between
8 myself and Mr. Hertzberg on behalf of the Church and
9 Mary Sue Hubbard, we are extremely happy to report to the
10 court that the court will not have to try this case, this
11 counterclaim in March.

12 The parties have resolved the case to the satis-
13 faction of Mr. Armstrong and to myself and to Mr. Hertzberg's
14 client.

15 THE COURT: How about Miss Dragojevic?

16 MS. DRAGOJEVIC: I think I will go along with it.

17 MR. PETERSON: Maybe we should identify ourselves for
18 the record.

19 THE COURT: Yes, probably a good idea.

20 MR. FLYNN: Michael Flynn for Gerald Armstrong.

21 MS. DRAGOJEVIC: Julia Dragojevic for Gerald Armstrong.

22 MR. HELLER: Lawrence Heller, and I am here in case there
23 were any questions. I had a little input in the settlement.

24 MR. PETERSON: John Peterson for the Church of
25 Scientology of California.

26 MR. HERTZBERG: Michael Lee Hertzberg for Mary Sue
27 Hubbard, who is the intervenor in the underlying original case
28 of the Church of Scientology against Gerald Armstrong.

1 MR. FLYNN: Pursuant to the settlement, Your Honor, the
2 parties have entered into a stipulation which we will provide
3 the court to have the return of all documents to the Church
4 with the exception of six documents which are currently under
5 litigation in United States versus Scientology, the case that
6 the government is trying to get six exhibits on, and the order
7 that we provided to the court contemplates the exemption of
8 those six exhibits.

9 We have also entered into a stipulation with
10 regard to the sealing of the court records, and I believe
11 Mr. Hertzberg has copies.

12 MR. PETERSON: I have the original of the stipulations
13 and the order. I would present it to the clerk for filing
14 and she could give it to the court. Might want to follow
15 along.

16 THE COURT: I have read the proposed stipulation and
17 order that have been submitted. And the question arises in my
18 mind, what about the -- does this dismissal have anything at
19 all to do with the underlying case that is presently on
20 appeal?

21 MR. FLYNN: It doesn't, Your Honor.

22 Certain issues in that case are going to remain
23 on appeal pursuant to the stipulation of the parties.

24 THE COURT: Well, won't those exhibits have to remain
25 with the court? As that matter is still on appeal?

26 MR. HERTZBERG: Your Honor --

27 THE COURT: I don't mean the ones that are just sitting
28 down in the clerk's office, but I mean the ones that have been

1 marked and received either as an exhibit for identification or
2 received in evidence in the case.

3 MR. HERTZBERG: I don't believe they all do, Your
4 Honor.

5 I think that the court of appeal has chosen
6 certain exhibits, a discrete number of them which they have
7 before them and they have made that choice, so I don't think --
8 certainly as Your Honor has recognized, none of the other
9 documents would be affected, and I don't know how many
10 documents we are talking about that may be before the court
11 of appeal --

12 THE COURT: Well, I mean, there is a problem. I don't
13 know what the court of appeal is going to do.

14 Let's assume they reverse it and send it back for
15 a new trial. I assume these exhibits will still have to be
16 used if the case is going to be retried on the underlying
17 complaint.

18 MR. FLYNN: Pursuant to the issues that are remaining,
19 Your Honor, I think that the parties' overall stipulation is
20 such that we will not need those exhibits on any retrial if,
21 in fact, there is a retrial.

22 I think Mr. Armstrong is satisfied, and I know
23 I am satisfied, that we won't need them.

24 MR. HERTZBERG: Your Honor, that was a decision that is
25 part of the agreement that was made, a very important part of
26 it, may I add an indispensable part of it. And after
27 Mr. Armstrong consulted with counsel, this is part of what we
28 bargained for.

1 So they are willing to proceed on that basis, and
2 I don't think that the court should get involved, frankly.

3 THE COURT: Well, I am just trying to raise an issue
4 here. I don't want six months downstream or a year somebody
5 to start screaming, "Where are these exhibits? We need to
6 retry this case."

7 If the court of appeal does one thing, they
8 affirm, there may be a petition for hearing with the
9 California Supreme Court or with the United States Supreme
10 Court..

11 MR. HERTZBERG: Your Honor, we contemplated all that.

12 That is why these negotiations were so arduous
13 and time consuming, and we have arrived today, all those
14 possibilities were discussed between our side and Mr. Flynn,
15 and each side knows what they are bargaining for here. And
16 Mr. Armstrong has signed a stipulation for return of sealed
17 materials and exhibits which is before Your Honor.

18 The order tracks that. It has the additional
19 language in it that it exempts from the scope of the return
20 those documents that the federal court might be interested in,
21 and that is what the agreement was between the parties.

22 THE COURT: What exhibits does the court of appeal
23 have?

24 MR. FLYNN: I am not sure, Your Honor, but I suppose,
25 having argued the appellate case, I suppose there is a simple
26 answer, also, to Your Honor's question in light of the
27 stipulation. The appeals court could always simply request
28 whatever exhibits it wants from the appellant in that case.

1 THE COURT: In Los Angeles we call it appellant.

2 MR. FLYNN: The appellant, whoever it is, them.

3 THE COURT: That is with the French, Bostonian or
4 something.

5 MR. HERTZBERG: Your Honor, I am informed that the court
6 of appeal asked for 50 documents and they have them. So for
7 the moment, presumably those could not be returned by the
8 clerk of this court.

9 THE COURT: Well, it is the parties' agreement, then,
10 but whatever they have got, the county clerk is no longer to
11 be custodian of those and they will be returned to the parties
12 by stipulation of the parties.

13 MR. HERTZBERG: That is what we stipulated to in
14 writing. That is an integral part of this settlement.

15 MR. PETERSON: And when the 50 documents come back --

16 THE COURT: If it is what the parties want to do, it is
17 okay with me.

18 MR. PETERSON: And when the 50 documents come back from
19 the court of appeal, they also will be turned over to the
20 Church.

21 THE COURT: I think that the court would require a
22 further joint order or stipulation.

23 In other words, I don't want to turn those over
24 if a remittitur comes down, regardless of what it is, or some
25 clerk turns them over without knowing whether or not they
26 might be further needed.

27 MR. HERTZBERG: We agree to that right now.

28 MR. FLYNN: That would be agreeable.

1 THE COURT: Just by stipulation of the parties, it can
2 be released at that time.

3 MR. HELLER: Your Honor, for what little I can give,
4 this insight was accurate.

5 This was an issue that was discussed at length
6 between the parties when negotiations were going on.

7 MR. FLYNN: It is apparently contemplated in
8 paragraph 3 of the proposed order, Your Honor.

9 THE COURT: Well, this implies that immediately when
10 they are returned that they be immediately turned over to
11 the Church without any further --

12 MR. FLYNN: That is agreeable.

13 MR. HERTZBERG: That is agreeable.

14 MR. FLYNN: To Mr. Armstrong.

15 MR. HERTZBERG: This is part of this rather complex
16 process that we have all agreed on.

17 THE COURT: What is this -- under this stipulated
18 sealing order paragraph 2 provides that the entire remaining
19 records of this case, save only this order, the order of
20 dismissal of the case, and then the order necessary to
21 effectuate this order and the order of dismissal, are agreed
22 to be placed under seal of the court.

23 What is it that you have in mind, the file
24 itself?

25 MR. HERTZBERG: Yes, Your Honor. That is the procedure
26 that the Church has insisted on and all courts have agreed to
27 in various other Scientology cases involving Mr. Flynn and
28 others which have been settled.

1 MR. FLYNN: We settled, Your Honor, several cases in
2 the federal district court in Tampa, Florida and recently six
3 cases in the federal district court in Los Angeles.

4 THE COURT: I just want to know what is contemplated so
5 the clerk won't be running around and --

6 MR. FLYNN: I'd say the entire record, I mean the
7 court file.

8 THE COURT: There was a reporter's transcript. There
9 was an original and copies prepared.

10 Of course, those went to the court of appeal.

11 MR. FLYNN: Whatever is in the physical possession of
12 the court --

13 THE COURT: I guess we are talking just basically this
14 multiple set of files will be placed under some kind of seal.

15 MR. HERTZBERG: Your Honor, presumably any materials
16 that come from the court of appeal would then be integrated
17 under that seal.

18 THE COURT: Yes. That would be so understood.

19 Of course, there have been innumerable people in
20 the interim who have come forward and examined the file. I
21 haven't the slightest idea who all those people are, but
22 certainly we can't go back and retract from them whatever they
23 have seen or observed or copied.

24 MR. HERTZBERG: We understand, Your Honor.

25 THE COURT: All right. Then, the court will sign the
26 respective orders.

27 Is that all?

28 MR. FLYNN: Thank you, Your Honor.

1 THE COURT: I guess we should vacate the trial date.

2 Any other motions?

3 MS. DRAGOJEVIC: Mandatory settlement conference.

4 MR. FLYNN: I am sure Your Honor is very sorry to hear
5 all this.

6 THE COURT: We wish you all good luck in the future.

7 You are all welcome to come back and try more
8 cases. Some other subject, perhaps.

9 MR. FLYNN: Being from Boston, I'd like to personally
10 thank you for all your courtesies in the court.

11 THE COURT: Well, we aim to please.

12 MR. HERTZBERG: I don't want to be overly inquisitive,
13 but has Your Honor signed the order dismissing the case?

14 THE COURT: I signed whatever orders were submitted.
15 Includes a dismissal.

16 MR. PETERSON: We will verify with the clerk and get a
17 conformed copy.

18 THE CLERK: Do you have originals of these?

19 MR. HELLER: I think those are all originals.

20 THE CLERK: Originals, but they are copies of documents.

21 MR. PETERSON: I think the problem, some of them were
22 signed in counterpart.

23 MR. HELLER: We tried to get all signatures on one
24 because one of them has five or six signatures.

25 THE COURT: Why don't you look over what is there?

26 MR. PETERSON: I think we can work it out with the clerk,
27 any problems with original versus copy, and take care of it.

28 (At 4:17 p.m. the proceedings were adjourned.)

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY OF LOS ANGELES

DEPARTMENT NO. 57

HON. PAUL G. BRECKENRIDGE, JR., JUDGE

GERALD ARMSTRONG,

Cross-Complainant,

vs.

CHURCH OF SCIENOTOLOGY OF
CALIFORNIA,

Cross-Defendant.

No. C 420 153

REPORTER'S CERTIFICATE

STATE OF CALIFORNIA)

COUNTY OF LOS ANGELES)

ss

I, NANCY L. HARRIS, Official Reporter of the
Superior Court of the State of California, for the County of
Los Angeles, do hereby certify that the foregoing pages,
1 to 8, inclusive, comprise a true and correct transcript
of the proceedings held in the above-entitled matter on
December 11, 1986.

Dated this 16th day of December, 1986.

_____, CSR No. 644
Official Reporter

1 BRUCE BUNCH
2 CONTOS & BUNCH
3 5855 Topanga Canyon Boulevard
4 Suite 400
5 Woodland Hills, CA 91367
6 (818) 716-9400

7 Attorneys for Cross-Complainant
8 Gerald Armstrong

9 JOHN G. PETERSON
10 PETERSON AND BRYNAN
11 8530 Wilshire Boulevard, Suite 407
12 Beverly Hills, California 90211
13 (213) 659-9965

14 Attorneys for Plaintiff and Cross-Defendant
15 CHURCH OF SCIENTOLOGY OF CALIFORNIA

16 SUPERIOR COURT OF THE STATE OF CALIFORNIA

17 FOR THE COUNTY OF LOS ANGELES

18 CHURCH OF SCIENTOLOGY OF
19 CALIFORNIA, a California
20 Corporation,

21 Plaintiff,

22 v.

23 GERALD ARMSTRONG,

24 Defendant.

Case No. C 420153

STIPULATED SEALING ORDER

25 AND RELATED CROSS-ACTION.

26 Pursuant to and as a provision of a Settlement Agreement
27 of the parties hereto, which is dispositive of all claims of
28 the above captioned case, the parties hereby voluntarily enter
into the following stipulation:

1. Defendant/Cross-Complainant hereby agrees that the
Clerk of the Court will produce to Plaintiff/Cross-Defendant

ORIGINAL FILED

DEC 11 1986

COUNTY CLERK

1 the following records in the Custody of the Clerk:

2 a) All those documents surrendered to the custody of the
3 Clerk of the Court by Michael Flynn and the law firm of Contos
4 & Bunch in September 1982, pursuant to the Order of Judge John
5 J. Cole in the above captioned case, dated September 4, 1982;
6 and b) all exhibits entered into evidence or marked for
7 identification at the trial of this case in May - June of 1984.

8 2. The entire remaining record of this case, save only
9 this order, the order of dismissal of the case, and any orders
10 necessary to effectuate this order and the order of dismissal,
11 are agreed to be placed under the seal of the Court.

12 3. It is agreed between the parties that should the Court
13 require a motion or any further pleadings to effectuate and
14 sign this Stipulated Sealing Order, the parties will jointly
15 comply with the Court's further orders, if any.

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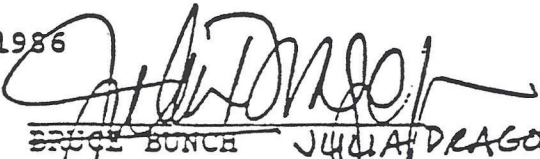
26 ///

27 ///


28 ///

1 4. This agreement is effective as of the date of the
2 dismissal of this case.

3 DATED: 12-8, 1986

4 
5 ~~BRUCE BUNCH~~ JULIA DRAGOTEVIC
6 CONTOS & BUNCH
7 5855 Topanga Canyon Boulevard
8 Suite 400
9 Woodland Hills, CA 91367
10 (818) 716-9400

11 Counsel for
12 Defendant/Cross-Complainant

13 
14 JOHN G. PETERSON
15 PETERSON & BRYNAN
16 8530 Wilshire Boulevard
17 Suite 407
18 Beverly Hills, California 90211
19 (213) 659-9965

20 Counsel for Plaintiff/Cross-Defendant

21 IT IS SO ORDERED.

22 15 / PAUL G. BRECKENRIDGE, JR. DEC. 11, 1986 Dated
23 HON. PAUL G. BRECKENRIDGE
24
25
26
27
28

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

GERALD ARMSTRONG,
Cross-Complainant,
v.
CHURCH OF SCIENTOLOGY OF
CALIFORNIA, a California
Corporation,
Cross-Defendant.

No. C 420 153
(Severed Action)

ORDER DISMISSING ACTION
WITH PREJUDICE

ORIGINAL FILED
DEC 11 1986
COUNTY CLERK

Upon consideration of the parties' Stipulation for Dismissal, the "Mutual release of All Claims and Settlement Agreement" and the entire record herein, it is

ORDERED AND ADJUDGED:

1. That this action is dismissed with prejudice.
2. That an executed duplicate original of the parties' "Mutual Release of All Claims and Settlement Agreement" filed herein under seal shall be retained by the Clerk of this Court under seal.

Dated: December 11, 1986

151 PAUL G. BRECKENRIDGE, JR.
Hon. Paul G. Breckenridge

SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF RIVERSIDE

CHURCH OF SCIENTOLOGY, MISSION)
OF RIVERSIDE, ET AL.,)

PLAINTIFFS,)

VS.)

BENT CORYDON, ET AL.,)

DEFENDANTS.)

BENT CORYDON, ET AL.,)

CROSS-COMPLAINANTS,)

VS.)

CHURCH OF SCIENTOLOGY OF)
CALIFORNIA, ET AL.,)

CROSS-DEFENDANTS.)

AND RELATED CROSS-ACTIONS.

NO. 154129

ORIGINAL

VOLUME III

DEPOSITION OF MARY CORYDON

BEVERLY HILLS, CALIFORNIA

THURSDAY, JULY 23, 1987

REPORTED BY:
PEGGYANN CYGUL,
C.S.R. NO. 6402

1 RIGHT?

2 A YEAH.

3 Q BEFORE HE DISCONTINUED THESE, DO YOU KNOW HOW
4 MANY WERE ATTENDING AT THAT POINT?

5 A I'M NOT SURE.

6 Q NOW, YOU TESTIFIED IN YOUR EARLIER DEPOSITION
7 THAT SOME DOCUMENTS CAME INTO THE POSSESSION OF THE MISSION
8 OF RIVERSIDE AND ITS EXECUTIVES FROM THE ARMSTRONG CASE.
9 DO YOU REMEMBER THAT --

10 A YES.

11 Q -- TESTIFYING TO THAT?

12 A YES.

13 Q OKAY. WHAT DOCUMENTS DID YOU VIEW THAT YOU
14 UNDERSTOOD WERE FROM THE ARMSTRONG CASE?

15 A I CAN'T REMEMBER, SPECIFICALLY. THERE WERE SO
16 MANY OF THEM.

17 Q HOW MANY WERE THERE?

18 A A PILE.

19 Q HOW TALL A PILE?

20 A LIKE THAT, I SUPPOSE.

21 Q THE WITNESS IS SHOWING -- WHAT? -- ABOUT EIGHT
22 INCHES OFF THE TOP OF THE TABLE?

23 A YEAH, THERE WAS A BOX OF THEM.

24 Q EIGHT AND A HALF BY ELEVEN?

25 A I IMAGINE. YEAH, I THINK SO.

1 Q AND THESE WERE -- WHAT? -- ALL EXHIBITS FROM
2 THE ARMSTRONG CASE?

3 A YES.

4 Q DO YOU KNOW WHO OBTAINED THEM?

5 A " I THINK THEY WERE PUBLIC RECORD. I'M NOT
6 SURE.

7 Q DO YOU KNOW WHO FROM THE CHURCH OF
8 SCIENTOLOGY, MISSION OF RIVERSIDE OBTAINED THEM?

9 A BENT, I THINK.

10 Q DO YOU REMEMBER WHEN THAT WAS? WAS IT BEFORE
11 THE SPLINTER OR AFTER?

12 A AFTER.

13 Q OKAY.

14 A NO, I'M SORRY, I THINK IT WAS BEFORE. I'M
15 TRYING TO THINK.

16 '82. 'CAUSE I KNOW A LOT OF THESE DOCUMENTS
17 WERE SORT OF, KIND OF, A REASON FOR SPLINTERING OFF, SO IT
18 MUST HAVE BEEN BEFORE.

19 Q WELL, LET'S GET INTO THAT. WHAT WERE THE
20 REASONS FOR SPLINTERING?

21 A REALIZING FROM MY OWN --

22 Q FOR YOU PERSONALLY, NOW.

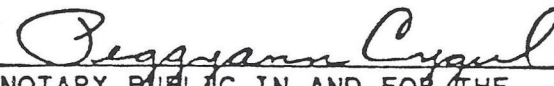
23 A YEAH. REALIZING THAT ALL THAT TIME, FROM '78
24 ON, THE FAIRGAME WAS ACTUALLY BEING IMPLEMENTED. THAT
25 PLANTS WERE BEING -- THE HOUSE WAS BEING STAKED OUT AND

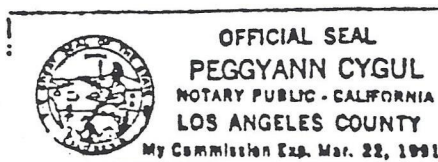
STATE OF CALIFORNIA)
)
COUNTY OF LOS ANGELES)

I, PEGGYANN CYGUL, C.S.R. NO. 6402, A NOTARY PUBLIC IN AND
FOR THE STATE OF CALIFORNIA, DO HEREBY CERTIFY:

THAT THE FOREGOING DEPOSITION WAS TAKEN BEFORE ME AT THE
TIME AND PLACE THEREIN SET FORTH, AT WHICH TIME THE WITNESS
WAS PUT UNDER OATH BY ME; THAT THE TESTIMONY OF THE WITNESS
AND ALL OBJECTIONS MADE AT THE TIME OF THE EXAMINATION WERE
RECORDED STENOGRAPHICALLY BY ME AND WERE THEREAFTER
TRANSCRIBED UNDER MY DIRECTION; THAT THE FOREGOING IS A
TRUE RECORD OF THE TESTIMONY AND OF ALL OBJECTIONS MADE AT
THE TIME OF THE EXAMINATION.

IN WITNESS WHEREOF, I HAVE SUBSCRIBED MY NAME AND AFFIXED
MY SEAL THIS 17th DAY OF August, 1987.


NOTARY PUBLIC IN AND FOR THE
STATE OF CALIFORNIA



SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

CHURCH OF SCIENTOLOGY,)
MISSION OF RIVERSIDE, et al.,)
)
Plaintiffs,)
)
vs.)
)
BENT CORYDON, et al.,)
)
Defendants.)
)
)
AND RELATED CROSS-ACTIONS.)
)
)

No. 154129

VOLUME 2

DEPOSITION OF BENT CORYDON, taken by the
Plaintiffs, Cross-Defendants and Cross-Complainants on
Tuesday, March 12, 1985, at 10:30 a.m., at 617 South
Olive Street, Suite 110, Los Angeles, California 90014,
before Sheila Atkinson-Baker, CSR #6037, notary public
for the State of California, pursuant to Notice.

KERY GILLET, CSR No. 3352 (A Shorthand Reporting Service)

818 Oneonta Drive
South Pasadena, California 91030
213 256 4624

1 I had hoped that was no longer the situation. However, it
2 was becoming clear that whoever had taken their place was
3 no more rational than they.

4 Q Is it safe to say that you didn't protest these
5 expulsions?

6 A Oh, I protested them but officially no.

7 Q How did you protest them unofficially?

8 A A few confidants, my wife. I was very gingerly
9 discussing that subject. It was a very dangerous subject
10 to discuss.

11 Q Can I assume that there were no public protests on
12 your part to the expulsions?

13 A You can take as evidence of that that I still remained
14 in the mission. Had I publicly protested I would not have
15 been in the mission.

16 Q So the answer is you didn't publicly protest.

17 A That is correct.

18 Q Turning to paragraph 9 of your declaration you
19 indicate that after you returned to the mission following
20 the mission-holders' meeting you and Mark Lutovsky went to
21 the Los Angeles Courthouse to view the court file on
22 pending litigation between the Church of Scientology of
23 California and Gerald Armstrong. Do you recall when it was
24 you went to the Los Angeles County Courthouse?

25 A I believe it was after the Finance Police had left.

1 Q How long after you returned from the conference did
2 the Finance Police come approximately?

3 A Two to three weeks.

4 Q So it would have been at least two to three weeks
5 after your return from the conference that you went to the
6 Los Angeles County Courthouse?

7 A That is correct.

8 Q Before going to the County Courthouse did you know
9 that there was pending litigation with the Church of
10 Scientology of California and Gerald Armstrong?

11 A I don't recall.

12 Q How is it you happened to go to the Los Angeles County
13 Courthouse to view court files as opposed to the Riverside
14 County Courthouse or the San Bernardino County Courthouse?

15 A We weren't just randomly picking trips to courthouses.

16 Q You were not?

17 A No.

18 Q What led you to the L.A. County Courthouse?

19 A Someone from the Guardian's Office -- I believe there
20 was still a Guardian's Office then -- called and requested
21 papers, the latest documents on the L. Ron Hubbard, Jr.
22 case, which was pending at the time.

23 Q Someone from the Guardian's Office asked those papers
24 from whom?

25 A From us. They asked for us to copy them to save them

1 a trip down to Riverside. They asked for us to go copy them
2 and bring them to them.

3 Q You did that?

4 A I didn't personally, but someone did, and I can't
5 remember who it was, but they told me that there was some
6 rather shocking things in there.

7 Q How long after your return from the conference was it
8 that you sent someone out to the Riverside Courthouse to
9 copy the DeWolfe documents?

10 A I don't recall but it was after the Finance Police
11 left.

12 Q So it would have been also two to three weeks after
13 your return from the conference?

14 A That is correct.

15 Q Was there something in the papers that was copied from
16 the Riverside Courthouse that made reference to the Gerald
17 Armstrong litigation?

18 A That is correct.

19 Q Is it safe to say that your trip to the Los Angeles
20 County Courthouse occurred after the end of October,
21 assuming the conference was the 17th.

22 A It is pretty safe to say that, yes.

23 Q After your return from the convention and before the
24 Finance Police arrived two or three weeks later, is there
25 any other action that you took at the mission which was

1 STATE OF CALIFORNIA)
2) ss.
3 COUNTY OF LOS ANGELES)

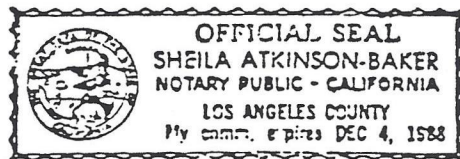
4 I, SHEILA ATKINSON-BAKER, CSR No. 6037,
5 a notary public in and for the State of California, do hereby
6 certify:

7 That prior to being examined, the witness named in the
8 foregoing deposition, BENT CORYDON,
9 was by me duly sworn to testify the truth, the whole truth,
10 and nothing but the truth;

11 That said deposition was taken before me at the time
12 and place therein set forth and was taken down by me in
13 shorthand and thereafter transcribed into typewriting under
14 my direction and supervision; and I hereby certify the fore-
15 going deposition is a full, true, and correct transcript
16 of my shorthand notes so taken.

17 I further certify that I am neither counsel for nor
18 related to any party to said action nor in any way interested
19 in the outcome thereof.

20 IN WITNESS WHEREOF, I have hereunto subscribed my name.
21 and affixed my official seal this 25th day of March,
22 1985.



Sheila Atkinson-Baker
NOTARY PUBLIC IN AND FOR
THE STATE OF CALIFORNIA.

SUPERIOR COURT OF THE STATE OF CALIFORNIA

FOR THE COUNTY RIVERSIDE

CHURCH OF SCIENTOLOGY MISSION OF
RIVERSIDE, ET AL.,

PLAINTIFFS,

VS.

BENT CORYDON, ET AL.,

DEFENDANTS.

AND RELATED CROSS-ACTIONS.

NO. 154129

CERTIFIED COPY

DEPOSITION OF MARK LUTOVSKY

VOLUME I

BEVERLY HILLS, CALIFORNIA

THURSDAY, MARCH 12, 1987

REPORTED BY:
CAROLINE MORELLI,
C.S.R. NO. 7359

1 FROM MY VIEWPOINT, I WENT THAT WAY.

2 Q. YOU PERCEIVED MANAGEMENT WAS BEING EXTREMELY
3 UNREASONABLE THEN; IS THAT A FAIR WAY OF SAYING IT?

4 A. THAT WAS PART OF IT. THERE WAS ALSO SOME
5 ADDITIONAL -- AT THE POINT WHERE THINGS WERE REALLY GOING
6 CRAZY -- THE HUBBARD, JR., THE LAWSUIT ON THE PROBATE WAS
7 HITTING IN RIVERSIDE, AND IT WAS JUST A FEW BLOCKS DOWN
8 FROM US; SO WE WENT DOWN AND STARTED READING WHAT THAT WAS
9 ALL ABOUT. AND WE THOUGHT, "WELL, OH HUBBARD'S DEAD.
10 PEOPLE ARE GOING CRAZY." THAT SORT OF HELPED A LITTLE BIT
11 AT THE TIME.

12 Q. AS A JUSTIFICATION?

13 A. AS A JUSTIFICATION FOR WHY EVERYTHING HAD
14 CHANGED. THEN THERE WAS --

15 Q. OF COURSE, THAT TURNED OUT TO BE ERRONEOUS;
16 RIGHT?

17 A. CORRECT.

18 Q. HE WASN'T DEAD?

19 A. CORRECT.

20 ALSO MENTIONED IN THERE WERE REFERENCES TO THE
21 ARMSTRONG TRIAL. SO WE WENT DOWN TO LA AND INSPECTED THE
22 DOCUMENTS THERE, WHICH WAS ALL PART OF FORMING MY --

23 Q. YOU WENT TO LOS ANGELES AND LOOKED AT THE CASE
24 FILE IN THE ARMSTRONG CASE IN '82?

25 A. YES.

1 Q. WHAT DOCUMENTS DID YOU VIEW IN THAT FILE? DO
2 YOU RECALL?

3 A. BOY, I REMEMBER SOME SORT OF DIRECTIVE ON HOW
4 TO USE A CREDIT CARD TO OPEN THE DOOR. I REMEMBER THAT.
5 THAT SORT OF SHOCKED ME AT THE TIME. THAT'S THE ONE THAT
6 STICKS OUT. I DON'T REALLY RECALL.

7 Q. BUT THIS IS PRIOR TO THE SPLINTER, OR WAS IT
8 AFTER?

9 A. THIS WAS PRIOR.

10 Q. IN WHAT MONTH?

11 A. NOVEMBER, I BELIEVE.

12 Q. AND THE REVIEW OF THE PROBATE FILE IN THE
13 RIVERSIDE SUPERIOR COURT, WAS THAT ALSO IN NOVEMBER OF
14 1982?

15 A. YES.

16 Q. WOULD IT BE FAIR TO SAY THAT THAT WAS PROMPTED
17 BY MR. CORYDON'S EXPERIENCE AT THE MISSION HOLDER MEETING
18 FOLLOWED BY THE VISITS BY THE INTERNATIONAL FINANCE POLICE
19 IN THE FIRST WEEK OF NOVEMBER?

20 A. YES.

21 Q. FOLLOWING THAT, YOU THEN LOOKED AT THE PROBATE
22 DOCUMENTS AND WENT TO LOOK AT THE ARMSTRONG DOCUMENTS?

23 A. RIGHT.

24 Q. ALL OF WHICH MOTIVATED YOU TO TRY TO DO
25 SOMETHING ABOUT WHAT YOU PERCEIVED TO BE A SITUATION; IS

1 STATE OF CALIFORNIA)
2 COUNTY OF LOS ANGELES)
3

4 I, CAROLINE MORELLI, C.S.R. NO. 7369, A NOTARY PUBLIC IN
5 AND FOR THE STATE OF CALIFORNIA, DO HEREBY CERTIFY:

6 THAT THE FOREGOING DEPOSITION WAS TAKEN BEFORE ME AT THE
7 TIME AND PLACE THEREIN SET FORTH, AT WHICH TIME THE WITNESS
8 WAS PUT UNDER OATH BY ME; THAT THE TESTIMONY OF THE WITNESS
9 AND ALL OBJECTIONS MADE AT THE TIME OF THE EXAMINATION WERE
10 RECORDED STENOGRAPHICALLY BY ME AND WERE THEREAFTER
11 TRANSCRIBED UNDER MY DIRECTION; THAT THE FOREGOING IS A
12 TRUE RECORD OF THE TESTIMONY AND OF ALL OBJECTIONS MADE AT
13 THE TIME OF THE EXAMINATION.

14
15 IN WITNESS WHEREOF, I HAVE SUBSCRIBED MY NAME AND AFFIXED
16 MY SEAL THIS 30 DAY OF March, 1987.



21 Caroline M. Morelli
22 NOTARY PUBLIC IN AND FOR THE
23 STATE OF CALIFORNIA
24
25

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EXHIBIT R

Attorney for Bent Corydon

Intervenor

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I.

INTRODUCTION

1. The Church of Scientology argues that the motion should be denied on the claim that certain information contained in the file is privileged or involves rights of privacy; collateral estoppel does not apply to Defendant's other lawsuits; the sealing order was part of a bargained for settlement, and the matter had been foreclosed by UNITED STATES v. ZOLIN, (9th Cir.) 809 F.2d 1411.

2. As will be set forth below, Scientology has failed to meet its burden of establishing which documents are subject to what privileges, and what documents violate what right of privacy.

3. Collateral estoppel does apply, but it is not necessary for this court to make that determination. This court need only see that the judgment in the herein case has the potential to have collateral estoppel effect and leave it for the other four trial courts to determine the legal effect.

4. As set forth below, bargained for gag orders and settlements that remove discoverable evidence from third parties are against public policy. And contrary to the Church of Scientology's assertion, as more fully explained below, The Ninth

5. Not only has Mr. Corydon presented good cause and relevance for discovery, and the right to inspect this file in order to defend against four Scientology related cases, but the opposing papers have admitted that this file was once open to the public. Thus, the resealing of the same violates the First Amendment. COALITION AGAINST POLICE ABUSE v. SUPERIOR COURT (1985) 216 CR 614, 170 Cal.App.3d 88. Thus, the original order was not valid.

II.

PLAINTIFFS BY SETTLEMENT CANNOT EXCLUDE RELEVANT
DISCOVERY FROM THIRD PARTIES

6. The thrust of the opposition to unseal the file is that Scientology bargained for a sealing order in their settlement of the cross-complaint of Gerald Armstrong. This is as set forth in the opposition's attached reporter's transcript of December 11, 1986.¹

1. Scientology attempts to suggest to this court that when the complaint was tried it resulted in findings against Defendant Armstrong that he had converted documents at issue and had invaded Mrs. Hubbard's rights to privacy.

It is these very misstatements by Scientology that create the need for the obtaining of the actual decision of Judge Breckenridge. The copy available (although not verified) states that Judge Breckenridge made findings supporting the actions of Mr. Armstrong, and particularly that Scientology uses confessional information of its followers against them should they leave the organization, and violate and abuse their members civil rights, and harass and abuse people they perceive as enemies pursuant to "Fair Game" doctrine.

All of these issues are of extreme importance to Defendant Corydon in defending all four actions brought by Scientology and Scientologists. Breckenridge found that Scientology's founder was virtually a "pathological liar" and that his personality is reflected in his alter ego "the Church of Scientology".

These findings are supportive of Mr. Corydon's opinions that Scientologists are "drilled to lie", statements for which he has

9. As stated in the moving papers, in CHAMPION v. SUPERIOR COURT, 247 CR 624, the appellate court recently stated that sealing orders are disfavored even when they are based upon stipulation of the parties.

10. More controlling is MARY R. v. B. & R. CORP., 149 Cal.App.3d 308, 196 CR 871 (1983). There, like the case now before the court, pursuant to a settlement of a civil lawsuit, the parties stipulated to the sealing of the file and a gag order on the parties from discussing the matter. This stipulation, as with the case herein, then became an order of the court.

11. The Attorney General, wishing to interview the Plaintiff, then brought a motion to set aside the order and the court denied the same. There, as here, the opposing party argued that the gag order was part of the bargained for settlement.

12. The court noted that the attempt of obtaining the gag order as part of the settlement, and the court granting the same, was to give a "Judicial stamp of approval to a ploy obviously designed by the physician (defendant) to aid him to avoid professional regulation inherent in his securing and keeping a professional license".

13. The court stated it was against public policy for an impartial justice to secrete evidence. Such a stipulation was not only against public policy but was similar to an "agreement to conceal judicial proceedings and to obstruct justice." Just

of Points and authorities).

1 sealing orders are disfavored even when they are based upon
2 stipulation of the parties.

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10 Plaintiff, then brought a motion to set aside the order and the
11 court denied the same. There, as here, the opposing party
12 argued that the gag order was part of the bargained for
13 settlement.

14 12. The court noted that the attempt of obtaining the gag
15 order as part of the settlement, and the court granting the same,
16 was to give a "Judicial stamp of approval to a ploy obviously
17 designed by the physician (defendant) to aid him to avoid
18 professional regulation inherent in his securing and keeping a
19 professional license".

20 13. The court stated it was against public policy for an
21 impartial justice to secrete evidence. Such a stipulation was
22 not only against public policy but was similar to an "agreement
23 to conceal judicial proceedings and to obstruct justice." Just
24 as the Board of Medical Quality Assurance had a right to
25 investigate the doctor in MARY R., Bent Corydon has the right to
26 investigate and examine documents to defend himself against the
27
28

1 as the Board of Medical Quality Assurance had a right to
2 investigate the doctor in MARY R., Bent Corydon has the right to
3 investigate and examine documents to defend himself against the
4 four current lawsuits brought by Scientology and its officers.³

5 III.

6 CORYDON HAS ESTABLISHED GOOD CAUSE

7 14. Contrary to Scientology's contentions, Mr. Corydon has
8 set forth good cause for discovery. It is necessary to the
9 defense of all four Scientology-related actions that he may be
10 able to prove the existence of Scientology's "Fair Game"
11 policies. Judge Breckenridge made such findings. Further, the
12 declaration of Vicki Aznaran establishes the destruction of
13 Scientology's documents by Scientology's legal department. In
14 order to validate her testimony, it becomes necessary to find
15 what discovery orders were made by Judge Breckenridge.

16 15. Scientology argues that Bent Corydon's wife saw a stack
17 of documents that she understood came from the Armstrong case.
18 This understanding of Mary Corydon does not establish these were
19 the documents from the Armstrong case. It is the undersigned's
20 understanding that these were documents seized by the FBI from
21 Church of Scientology concerning the criminal arrests and
22 convictions of Scientologists for obstructing justice (see UNITED

23
24 ³. This court can take judicial notice of Scientology's
25 history of "Fair Game" against its enemies (see UNITED STATES v.
26 HELDT, 668 F.2d 1238 1981). When documents relate to matters of
27 public interest, protective orders should generally be denied.
28 KRAUSE v. RHOADS, 671 F.2d 212 (National Guard shooting at Kent
State).

1 admissable evidence on his behalf. Nor does any prior review of
2 the file the same as obtaining necessary documents or getting
3 certified copies of the same.

4 16. However, Scientology's opposition does establish that
5 at one time the documents in the court file were open to public
6 view. This was even noted by Judge Breckenridge as stated on
7 page 7 of the December 11, 1986 reporter's transcript (attached
8 to opposing papers): "Of course, there have been innumerable
9 people in the interim, who have come forward and examined the
10 file..."

11 17. In SEATTLE TIMES COMPANY v. RHINEHART (1984) 104
12 Supreme Court 2199, the United States Supreme Court held that
13 once documents were opened to public view, they could not be
14 subjected to a gag order.⁴

15 18. In COALITION AGAINST POLICE ABUSE v. SUPERIOR COURT
16 (1985) 216 CR 614, 170 Cal.App.3d 88, the California Appellate
17 Court concluded that a gag order could only be placed on
18 documents never before released to the public, but that once
19 released, no gag order could be placed on the same. Therefore an
20 order that documents be returned and kept sealed, after being
21 available to the public prior thereto, was not valid. Once
22 publicly disclosed, a sealing order violates the First Amendment.
23 The lack of a prior protective order was indicated to be an
24

25 ⁴. Further, in Rhinehart, the United States Supreme Court
26 said that such gag orders must result from a compelling
27 government interest and be "narrowly drawn".

1 "implied consent" to public disclosure.

2 19. Thus, Judge Breckenridge's ruling sealing documents
3 that were already available to the public was an order in
4 violation of Coalition and Seattle Times and is thus not valid.

5 20. While Champion, supra, Coalition, supra, and Seattle
6 Times supra, all dealt with the right for the public to have
7 access to court documents, files, and review the judicial
8 process, Bent Corydon is more than just a curious member of the
9 public. He is not even solely in the role of a Plaintiff seeking
10 to prove his case against the Church of Scientology, but is a man
11 defending himself against an onslaught of Scientology-related
12 litigation designed to crush him.

13 21. We contend that these very lawsuits are part of
14 Scientology's "Fair Game" policies to destroy its critics.⁵

15 IV.

16 OTHER CASES CITED BY SCIENTOLOGY ARE NOT RELEVANT

17 22. Scientology primarily relies on UNITED STATES v. ZOLIN
18 809 F.2d 1411. On page three of the opposing papers, Scientology
19 asserts that this case upheld the sealing order. This false
20 citation is repeated on pages 4 and 5.

21 23. In fact, the ruling in Zolin (which is attached hereto)
22 was to the contrary. There, the IRS initiated an action to
23 compel the Superior Court Clerk to produce thirteen sealed
24 documents. Scientology claimed that each were privileged and
25

26 ⁵. Mr. Corydon is a former Scientologist who wrote a book
27 called "L. Ron Hubbard, Madman or Messiah?"

1 was to the contrary. There, the IRS initiated an action to
2 compel the Superior Court Clerk to produce thirteen sealed
3 documents. Scientology claimed that each were privileged and
4 that the action by the government was not in good faith. The
5 district court released five of the documents. The other eight
6 were ruled either irrelevant or privileged. At no time did the
7 court indicate that the actual sealing order was a bar to the
8 production. On the issue of privilege, the appellate court held
9 that the Church of Scientology had to meet the burden of
10 demonstrating the existence of the same, and that further they
11 had lost the attorney-client privilege by submitting documents
12 voluntarily to Mr. Jerry Armstrong.

13 24. The only portion of the decision favorable to
14 Scientology was the upholding of attorney-client privilege as it
15 related to a tape recording where Scientology and its counsel
16 planned a tax fraud. The court held that under federal law there
17 must be evidence independent of the tape itself to establish the
18 "crime-fraud" exception to the attorney-client privilege. We do
19 not believe that to be California Law and we note that Zolin has
20 now been accepted by United States Supreme Court as stated in
21 footnote 1 of the opposing papers.

22 25. The opposition papers cite SAN BERNARDINO UNITED SCHOOL
23 DISTRICT v. SUPERIOR COURT, 190 Cal.App.3d 233 for the grounds
24 that Mr. Corydon cannot expect the court to reverse a decision
25 made by the trial judge after benefit of full presentation of the
26 facts. This case is not on point. It dealt with the appellate
27
28

1 court.

2 26. Scientology relies on LYNCH v. GLASS, 44 Cal.App.3d 943
3 for the proposition that the decision in the herein case will not
4 have a collateral estoppel effect in the other litigation
5 involving Mr. Corydon.

6 27. In fact, the case holds otherwise. First, the Church
7 of Scientology is a Plaintiff in two of the actions. In the
8 other two, the Plaintiffs have plead they are Presidents of
9 Scientology corporation (see Exh. D of moving papers).

10 28. Lynch held that collateral estoppel is designed to
11 prevent the relitigation of issues and to maintain judicial
12 harmony of decisions. Collateral estoppel, according to the
13 court in Lynch applies to not only the parties, but to non
14 parties who are in privity. The court then went on to give
15 numerous examples of privity which would include members of party
16 organizations and non parties whose interests were aligned with
17 that of the parties.⁶

18 29. The court noted that when a party acts in a
19 representative capacity for non party, collateral estoppel is
20 applied against the non party. TEITELBAUM FIRST, INC. v.
21

22 ⁶. This court need not decide or rule upon the
23 admissability or the collateral effect of the Breckenridge
24 decision in any of the four other cases. This court need only
25 see that the decision may be admissible and that it may lead to
26 the discovery of admissible evidence in order to see that Bent
27 Corydon's rights to a defense necessitate obtaining a certified
28 copy of Judge Breckenridge's decision and the ability to inspect
this file.

1 DOMINION INS. COMPANY, LTD., 58 Cal.2d 601. And it applies
2 against residents whose common interests have been represented by
3 their municipality. RYNSBURGER v. DAIRYMENS FERTILIZER COOP.,
4 INC. 266 Cal.2d 269, 277-278.⁷

5 30. Scientology further argues that the "joinder" was not
6 timely brought. The court should realize that while the papers
7 filed by Toby Plevin are entitled "joinder", they are actually
8 nothing more than additional papers filed in support of Bent
9 Corydon. Mr. Corydon is the party seeking discovery and the
10 additional papers were filed by other attorneys of his defending
11 him from Scientology in litigation different than that from which
12 the undersigned represents Mr. Corydon.

13 31. Scientology further argues that there are issues of
14 "privilege" and "privacy." The burden of such claims is on the
15 party asserting the same, UNITED STATES v. ZOLIN 809 F.2d 1411
16 (see attached). Absolutely no evidence has been given
17 establishing that there are any privacy issues or privilege
18 issues involved. In fact, the December 11, 1986 settlement
19 transcript attached to the opposing papers indicates that the
20 sealing order came about for no other reason than Scientology
21 bargaining for the same as part of the settlement (As indicated
22 above, such orders are not prohibitive against third parties who
23 have a need to review said files, see Mary R. supra).

24
25 ⁷ Black's Law Dictionary defines "privity": "a connection
26 between parties (as to some particular transaction)...a mutual or
27 successive relationship to the same rights of property; the
28 relationship between privies whereby they succeed to the same
legal right or duty derived from a common source."

1 bargaining for the same as part of the settlement (As indicated
2 above, such orders are not prohibitive against third parties who
3 have a need to review said files, see Mary R. supra).
4 Scientology has also argued this in their opposition.

5 32. Certainly such claims cannot prevent the discovery of a
6 certified copy of Judge Breckenridge's decision, nor orders
7 relating to discovery matters. If Scientology is claiming any
8 privileges or rights of privacy, it must set forth what documents
9 same is being asserted to, and the basis for the same. It cannot
10 apply such arguments against the entire file.

11 V.
12 CONCLUSION

13 33. It should be noted that the firm of Bowles & Moxon is
14 listed as Attorneys for the Church of Scientology of California.
15 The opposing papers were signed by Mr. Bowles. Mr. Bowles and
16 Mr. Moxon are attorneys of record in all four Scientology
17 lawsuits now pending against Mr. Corydon that have been described
18 in the moving papers. Yet it is Mr. Bowles and Mr. Moxon who
19 appear before this court arguing that Mr. Corydon should not be
20 able to examine this file to see if there is information,
21 evidence, or documents that may help Mr. Corydon defend himself
22 against this litigation onslaught.⁸ We attach hereto a copy

23 ⁸. Simultaneous with this settlement and order,
24 Scientology entered into numerous settlements with other former
25 members which contained agreements to not cooperate voluntarily
26 with anyone in litigation adverse to Scientology. This, too,
27 has interfered with Mr. Corydon's abilities to defend himself. It
28 would be a denial of equal protection of the laws and an
obstruction of justice if ultimately either the sealing orders in
this case or these agreements were ever upheld to prevent Mr.

1 of the fourth suit against Mr. Corydon filed in Washington D.C..

2 34. The sealing order was not based upon arguments of
3 privilege or privacy, and no evidence of the same has been
4 asserted in the opposing papers, but rather by a bargained for
5 settlement agreement. This is clear from the opposing papers
6 themselves. Such agreements are void as against public policy
7 (Mary R. supra and Champion, supra) and its applied to Mr. Corydon
8 creates an obstruction of justice.

9 35. Therefore it is respectfully submitted that this court
10 allow Mr. Corydon to inspect the files and to copy those
11 documents necessary to his defense. Mr. Corydon will submit to
12 any orders of the court relating to the same that this court
13 deems appropriate.

14
15 Date: _____

Respectfully Submitted,

16
17 PAUL MORANTZ
18 A PROFESSIONAL CORPORATION
Attorney for Defendant Corydon

19
20
21
22
23
24
25
26 _____
27 Corydon from preparing his defenses.

accrued on the date the plaintiff or his predecessor in interest knew or should have known of the claim of the United States to the disputed land. 28 U.S.C.A. § 2409a(g) (West Supp.1987). The claims against the United States accrued as soon as it became clear to Lee, Eklund, and Carr, or should have become clear to them, that the United States intended to reject their homestead claims to the classified lands. We agree with the district court that Lee, Eklund, and Carr "should have realized by 1961 that the United States had a conflicting claim to the portions of their homestead entries within the Power Site Classification[,] [because in] that year the Bureau of Land Management issued its survey covering the disputed lands, published notice of the survey in the Federal Register, and issued final decisions rejecting their homestead entries." *Lee*, 629 F.Supp. at 727. At the very latest, Lee, Eklund, and Carr should have known of the United States' conflicting claim to the disputed lands when they submitted their amended homestead applications in 1964. *See id.*

[5, 6] Lee, Eklund, and Carr argue that the Quiet Title Act's twelve-year statute of limitations should be deemed to have been equitably tolled by their reliance on the Secretary's representations, arguably incorrect, that he was under no duty to remove the powersite classification. Statutes of limitation, however, are "triggered" [claimants'] knowledge of the transaction that constituted the alleged violation, not by their knowledge of the law." *Blanton v. Anzalone*, 760 F.2d 989, 992 (9th Cir.1985). A claim accrues as soon as a potential claimant either is aware or should be aware of the existence of and source of an injury, not when he knows or should know that the injury constitutes a legal wrong. A different rule would require inefficient diligence on the part of potential claimants. *See United States v. Kubrick*, 4 U.S. 111, 123-24, 100 S.Ct. 352, 360, 62 Ed.2d 259 (1979). Moreover, because the Quiet Title Act's statute of limitations "is a

See Reeves v. Andrus, 465 F.Supp. 1065, 1070 (D.Alaska 1979) (section 24 of the Power Act requires the Secretary "to revoke or modify the

jurisdictional requirement, ... [t]he government may not be equitably barred from asserting [it]."*McIntyre*, 789 F.2d at 1411 (quoting *Burns v. United States*, 764 F.2d 722, 724 (9th Cir.1985)).

2) Claims Against Eklutna, Inc. and Cook Inlet Region, Inc.

The district court ruled that even though it lacked jurisdiction to consider the claims against the United States, it did not necessarily lack jurisdiction to consider the claims against the Native corporations. *Lee*, 629 F.Supp. at 727-28. The district court noted that "Congress passed the [Quiet Title Act] as a limited waiver of sovereign immunity for actions to acquire title from the federal government, ... not to insulate private parties who acquire federal lands, such as Eklutna and Cook Inlet Region, from bona fide actions to challenge their title." *Id.* at 727.

[7] The district court correctly stated the general rule. Ordinarily, the fact that a claimant is barred from proceeding against the United States by the jurisdictional provisions of the Quiet Title Act does not prevent the claimant from asserting title to disputed lands against non-federal parties. *See Block*, 461 U.S. at 291, 103 S.Ct. at 1822. *See also Economic Development and Industrial Corp. v. United States*, 720 F.2d 1, 4 (1st Cir.1983); *United States v. Gammache*, 713 F.2d 588, 592 (10th Cir.1983).

[8, 9] This case, however, is an exception to the general rule, because in this case the district court's lack of jurisdiction over the claims against the United States does require that the claims against the Native corporations also be dismissed. All of the relief that Lee, Eklund, and Carr seek requires the presence of the United States as a party. In order to challenge the validity of the Native corporations' patents to the disputed lands, Lee, Eklund, and Carr must be prepared to establish their own entitlement to the lands. "It is not sufficient for one challenging a patent to show that the patentee should not have received the patent; he must also show power site classification within a reasonable period" following a "no injury" determination by the Power Commission).

that he ... is entitled to it." *Kale v. United States*, 489 F.2d 449, 454 (9th Cir. 1973), *cert. denied*, 417 U.S. 915, 94 S.Ct. 2617, 41 L.Ed.2d 220 (1974). Lee, Eklund, and Carr can only properly establish their asserted entitlement to the disputed lands in direct proceedings against the United States. *See McIntyre v. United States*, 568 F.Supp. 1, 2-3 (D.Alaska 1983), *aff'd*, 789 F.2d 1408 (9th Cir.1986). The United States is therefore an indispensable party to this action. *See Nichols v. Rysavy*, 809 F.2d 1317, 1331-34 (8th Cir.1987) (United States held to be an indispensable party in a suit challenging the validity of fee patents issued to Native Americans); *Nichols v. Rysavy*, 610 F.Supp. 1245, 1253 (D.S.D.1985) (United States held to be an indispensable party because "the United States ... issued the fee patent in question, thus setting the entire series of events in motion that resulted in the action."). *See also Nicodemus v. Washington Water Power Co.*, 264 F.2d 614, 615 (9th Cir.1959) (United States held to be an indispensable party in a suit concerning lands held in trust for Native Americans); *Cogo v. Central Council of Tlingit and Haida Indians*, 465 F.Supp. 1286, 1291 (D.Alaska 1979) (same). *See generally* Fed. R.Civ.P. 19(b). In so holding, we recognize that upon different facts the United States might not be an indispensable party.

It follows from the fact that the United States is an indispensable party to this action that the district court's lack of jurisdiction as to the claims against the United States requires the dismissal of the claims against the Native corporations. *See Johnson v. Chilkat Indian Village*, 467 F.Supp. 384, 388 (D.Alaska 1978) (action dismissed because the court did not have jurisdiction over the Chilkat Village Council, and any judgment arrived at in a proceeding to which the Village Council was not a party would be inadequate). *See also Nichols*, 809 F.2d at 1331-34.

CONCLUSION

Lee's, Eklund's, and Carr's claims against the United States all concern title to real property. The district court's exclu-

is the Quiet Title Act. Under section 2409a(e) of the Quiet Title Act, the United States' disclaimer of interest in the disputed lands in 1979 had the effect of depriving the district court of jurisdiction over the claims. Even if the disclaimer was ineffective, the claims would still be barred by the Quiet Title Act's twelve-year statute of limitations. The United States is an indispensable party to the present actions, because Lee, Eklund, and Carr can only properly establish their entitlement to the lands in direct proceedings against the United States. It therefore follows, as a direct consequence of the district court's lack of jurisdiction over the claims against the United States, that the claims against the two Native corporations must also be dismissed.

We express no opinion regarding the district court's interpretation of sections 14(g) and 22(b) of the Settlement Act, 43 U.S.C. §§ 1613(g) and 1621(b). We also express no opinion as to the district court's ruling that the Settlement Act preempts the common law in the area of disputes brought by third parties against Native corporations concerning lands conveyed under the Settlement Act.

AFFIRMED.



UNITED STATES of America,
Petitioner/Appellee/Cross-Appellant,

Frank S. ZOLIN, Respondent/Appellee,
and

Church of Scientology of California
and Mary Sue Hubbard,
Intervenor/Appellants/Cross-Appellees.

Nos. 85-6065, 85-6105.

United States Court of Appeals,
Ninth Circuit.

Argued and Submitted Nov. 6, 1986.

Decided Feb. 9, 1987.

In connection with tax investigation,
United States brought action to compel

state court clerk to produce sealed documents. Church and taxpayer's wife intervened. The United States District Court for the Central District of California, Harry L. Hupp, J., ordered production of some, but not all documents. Intervenor appealed, and United States cross-appealed. The Court of Appeals, Farris, Circuit Judge, held that: (1) United States adequately established relevance of documents; (2) taxpayer waived privilege as to communications when he voluntarily delivered them to third party; and (3) crime-fraud exception to attorney-client privilege did not apply to recorded communications.

Affirmed.

1. Internal Revenue ⇐4490

Power of Internal Revenue Service to examine records in connection with tax investigation is broadly construed.

2. Internal Revenue ⇐4496

Government must demonstrate realistic expectation of relevance as to correctness of taxpayer's returns, rather than idle hope of relevance, before it will be allowed to examine records in connection with tax investigation.

3. Internal Revenue ⇐4496, 4505

Notwithstanding fact that exhibits sought by Internal Revenue Service related to years other than tax years under investigation, finding that exhibits might throw light on correctness of taxpayer's return information was not clearly erroneous where IRS agent declared that exhibits were relevant, and Government gave general descriptions of exhibits' contents.

4. Witnesses ⇐198(1)

Attorney-client privilege is to be strictly construed.

5. Witnesses ⇐222

Burden of demonstrating existence of evidentiary privilege rests on party asserting privilege.

6. Witnesses ⇐222

In order to establish applicability of attorney-client privilege to given communi-

cation, party asserting privilege must affirmatively demonstrate nonwaiver.

7. Witnesses ⇐219(1)

Voluntary delivery of privileged communication by holder of privilege to someone not party to privilege waives privilege.

8. Federal Courts ⇐776

Whether circumstances of delivery of privileged communication give rise to waiver of otherwise applicable privileges is mixed question of law and fact, and is reviewed de novo on appeal.

9. Internal Revenue ⇐4502

Notwithstanding that taxpayer did not explicitly grant third party access to attorney-client or marital communications, taxpayer waived privileges as to communications to third party by voluntary delivery of documents.

10. Internal Revenue ⇐4493

In determining whether Internal Revenue Service investigation is legitimate and in good faith, focal issue is whether investigation is motivated by legitimate tax purposes.

11. Internal Revenue ⇐4513

Finding that administrative summons served by Internal Revenue Service on state court clerk requesting documents relating to taxpayer's potential tax liability was issued in good faith was not abuse of discretion in view of testimony as to legitimate tax determination objectives of investigation.

12. Internal Revenue ⇐4515

District court order prohibiting Internal Revenue Service from delivering documents produced in response to summons to any other government agency unless criminal tax prosecution was sought or order of court was obtained was not abuse of discretion. 26 U.S.C.A. §§ 6103, 7421(a).

13. Internal Revenue ⇐4515

District court may condition enforcement of summons on Internal Revenue Service's agreeing to abide by disclosure restrictions. 26 U.S.C.A. §§ 6103, 7421(a).

14. Federal Courts ⇐776

District court's rulings on scope of attorney-client privilege involve mixed questions of law and fact, and are reviewable de novo.

15. Federal Courts ⇐870

Where relevant scope of attorney-client privilege is clear, and decision that district court must make is essentially factual, district court's rulings as to privilege are reviewed for clear error.

16. Witnesses ⇐206

"Common interest" rule protects communications made when nonparty sharing client's interests is present at confidential communication between attorney and client, even where nonparty has never been sued on matter of common interest and faces no immediate liability.

17. Witnesses ⇐206

Recorded communications between taxpayer and his attorneys were privileged where all nonlawyers present at meeting were employees of church run by taxpayer, as they had common interest in sorting out respective affairs of church and taxpayer.

18. Witnesses ⇐219(3)

Church did not waive its attorney-client privilege as to tapes of confidential communications where it inadvertently delivered tapes to third party, as inadvertent delivery was sufficiently involuntary and inadvertent to be inconsistent with theory of waiver.

19. Witnesses ⇐201(2)

Attorney-client privilege does not protect communications that further crime or fraud.

20. Witnesses ⇐222

Party seeking disclosure of recordings of privileged communications on ground that communications furthered crime or fraud had burden of making prima facie showing that communications were in furtherance of intended or present illegality.

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City, and Donald C. Randolph, Los Angeles, Cal., for intervenors/appellants/cross-appellees.

Frederick Bennett, Co. Counsel, Los Angeles, Cal., for defendant/appellee.

John A. Dudeck, Jr., Tax Div., Dept. of Justice, Washington, D.C., and Charles H. Magnuson, Asst. U.S. Atty., Los Angeles, Cal., for petitioner/appellee/cross-appellant.

Appeal from the United States District Court for the Central District of California.

Before BROWNING, Chief Judge, GOODWIN and FARRIS, Circuit Judges.

FARRIS, Circuit Judge:

In July 1984, the Criminal Investigation Division of the IRS (Los Angeles District) began investigating L. Ron Hubbard's tax returns for the tax years 1979 through 1983. In October, the IRS served an administrative summons on the Clerk of the Los Angeles County Superior Court and requested that he produce certain documents relating to Hubbard's potential tax liability. (The Superior Court had obtained the documents in connection with an unrelated proceeding brought by the Church against a former member of the Church.) The Clerk willingly produced a number of documents, but refused to produce thirteen documents which had been ordered sealed by the Superior Court.

In January 1985, the Government initiated this action in an effort to compel the Clerk to produce the thirteen sealed documents. Shortly thereafter, the district court granted the motions to intervene which were brought by the Church and Mary Sue Hubbard. The Intervenor contended that each of the thirteen documents was either privileged, irrelevant, or both. They also argued that the summons was unenforceable because it was not issued pursuant to a "good faith" tax investigation.

Hearings were held in March and April. On April 30, 1985, the district court ruled

that eight of the documents—exhibits 4-D, 4-E, 4-F, 4-G, 5-C, 5-G, 5-I, and 6-B—were irrelevant, privileged, or both, and did not need to be produced. It ruled that five documents—exhibits 5-K, 5-L, 5-O, 5-P, and 6-O—should be produced, but prohibited the IRS from disclosing them to another governmental agency except in connection with a criminal tax prosecution or with the court's approval. The court further ruled that the Intervenor had failed to prove that the summons was not issued in "good faith."

The Intervenor filed timely notice of appeal on July 1, 1985. The Government filed timely notice of cross-appeal on July 15, 1985. The order appealed from is a final order which disposes of all claims of all parties. We have jurisdiction under 28 U.S.C. § 1291.

DISCUSSION

A. Mootness

On January 24, 1986, during the pendency of this appeal, L. Ron Hubbard died. The Intervenor argues that because Hubbard's death has foreclosed the possibility of any further investigation of Hubbard's potential criminal tax liability, this proceeding has become moot. We reject that argument for the reason stated in *United States v. Author Services*, 804 F.2d 1520, 522 n. 1 (9th Cir.1986).

B. Relevance of Exhibits 5-O, 5-P, and 6-O

[1, 2] The IRS' power to examine records in connection with tax investigations is broadly construed. See *Liberty Financial Services v. United States*, 778 F.2d 1390, 1392 (9th Cir.1985); *De Masters Arend*, 313 F.2d 79, 87 (9th Cir.1963). The relevance of such evidence depends on whether it might throw light on the correctness of a taxpayer's returns. *United States v. Goldman*, 637 F.2d 664, 667 (9th Cir.1980). The Government must demonstrate a "realistic expectation" of relevance, rather than an "idle hope" of relevance.

vance. *Id.* (quoting *United States v. Harrington*, 388 F.2d 520, 524 (2d Cir.1968)).

The Government bases its claim that the three exhibits are relevant on the declaration of Agent Petersell, in which Petersell stated:

I have read the Petition to Enforce Internal Revenue Service Summons. Each of the items listed ... is relevant to the investigation of L. Ron Hubbard in one or more of the following respects:

- A. Determining the extent to which income from the Church of Scientology inured to the benefit of L. Ron Hubbard.
- B. Determining whether L. Ron Hubbard conspired with others to impair and impede the Internal Revenue Service in the administration of the tax laws.
- C. Determining whether any violations of the Internal Revenue laws were done willfully with intent to evade tax.

The Government's other evidence of relevancy consists of three terse descriptions of the documents' contents in the petition for enforcement of the summons:

- 00000 (5-O) LRH note regarding the Mayor of Clearwater, Florida, 22 March 1978.
- PPPPP (5-P) LRH Statement regarding money from Scientology, 16 Feb. 1978.
- 000000 (6-O) LRH handwritten note regarding the Fair Game policy.

The record does not indicate the Government's sources for this information.

[3] While the Government might have made a better showing, the district court did not clearly err in concluding that Petersell's declaration, when coupled with the general descriptions of the documents in the petition to enforce the summons, was sufficient to establish the relevance of the documents. We do not ignore our statement in *Goldman*:

The Government's burden, while not great, is also not non-existent. The Government appears to argue that the mere assertion of relevance by [an IRS agent] satisfied that burden. Even to the extent this might be true for records concerning the tax years being examined,

relevance is not so clear when records for other years are sought.

637 F.2d at 667. Notwithstanding the fact that exhibits 5-O, 5-P, and 6-O all relate to years other than the tax years under investigation, we are satisfied that the district court, after balancing the indicia of relevancy against the impossibility of fully knowing the documents' contents before an actual review, did not clearly err in determining that the documents "might throw light" on the correctness of L. Ron Hubbard's return information.

C. Waiver of Privilege As to Exhibits 5-K and 5-L

The Intervenor does not contest on appeal the relevance of exhibits 5-K and 5-L. Instead, they contend that the district court erred in ruling that privileges which might otherwise have applied to the two documents were waived by a voluntary delivery of the documents to Gerald Armstrong. In addition, they argue that the district court erred when it concluded that exhibit 5-L would not be protected by the attorney-client privilege even in the absence of waiver because the affidavit of Hubbard's former attorney was too vague and conclusory to validly assert the privilege.

[4-6] The attorney-client privilege is to be strictly construed. *Weil v. Investment/Indicators, Research & Management, Inc.*, 647 F.2d 18, 24 (9th Cir.1981). See 8 J. Wigmore, *Evidence* § 2291 at 554 (McNaughton rev. 1961). The logic behind the strict construction of the attorney-client privilege applies with equal force to the marital communications privilege: like the attorney-client privilege, the marital communications privilege is "an obstacle to the investigation of the truth.... [that] ought to be strictly confined within the narrowest possible limits consistent with the logic of its principle." *Id.* The burden of demonstrating the existence of an evidentiary privilege rests on the party asserting the privilege. See *United States v. Gann*, 732 F.2d 714, 723 (9th Cir.1984) (attorney-client privilege); *Weil*, 647 F.2d at 25 (evidentiary privileges generally). In order to establish the applicability of the attorney-client privilege

to a given communication, the party asserting the privilege must affirmatively demonstrate non-waiver. See *id.*, *United States v. Landof*, 591 F.2d 36, 38 (9th Cir. 1978).

[7, 8] The voluntary delivery of a privileged communication by a holder of the privilege to someone not a party to the privilege waives the privilege. See *Clady v. County of Los Angeles*, 770 F.2d 1421, 1433 (9th Cir.1985) (the voluntary disclosure of a privileged attorney-client communication constitutes waiver); *United States v. McCown*, 711 F.2d 1441, 1452-53 (9th Cir.1983) (the marital communications privilege is inapplicable to communications not intended to remain confidential); *Weil*, 647 F.2d at 24 (the voluntary disclosure of a privileged attorney-client communication constitutes waiver). Moreover, when the disclosure of a privileged communication reaches a certain point, the privilege may become extinguished even in the absence of a wholly voluntary delivery. See *In re Sealed Case*, 676 F.2d 793, 818 (D.C.Cir. 1982) ("Any disclosure inconsistent with maintaining the confidential nature of the attorney-client relationship waives the privilege."). Whether the circumstances of the delivery of exhibits 5-K and 5-L to Armstrong gave rise to a waiver of the otherwise applicable privileges is a mixed question of law and fact that we review *de novo*. See *United States v. McConney*, 728 F.2d 1195, 1199-1204 (9th Cir.1984) (en banc).

[9] The district court held that all privileges potentially applicable to exhibits 5-K and 5-L were waived by a voluntary delivery of the documents to Gerald Armstrong. We agree. The Intervenor argues that the delivery could not have been voluntary since the correspondence between Armstrong and Hubbard contains no express indication that Armstrong intended to, or had Hubbard's permission to collect communications between Hubbard and his wife or between Hubbard and his attorneys.

Although Hubbard did not explicitly grant Armstrong access to attorney-client

or marital communications, Hubbard did, in a memorandum to Armstrong, grant Armstrong general permission to collect documents relevant to the proposed biography of Hubbard. The intervenors' only argument in support of non-waiver is that Hubbard did not specifically grant Armstrong access to attorney-client and marital communications. More is required.

Since the attorney-client privilege which might otherwise have attached to exhibit 5-L was waived, we need not consider whether the attorney-client privilege was validly asserted by Hubbard's former attorney.

D. Limited Evidentiary Hearing

We review for abuse of discretion. See *United States v. Stuckey*, 646 F.2d 1369, 1373 (9th Cir.1981). See generally *Rae v. Union Bank*, 725 F.2d 478, 481 (9th Cir.1984) (a district court's decisions relating to discovery matters are reviewed for abuse of discretion).

[10] The purpose of the limited evidentiary hearing was to determine whether the summons enforcement proceeding was legitimate and in "good faith," rather than merely camouflage for an ulterior non-tax motive. The "good faith" standard seeks to prevent the IRS from becoming an information-gathering agency for other governmental agencies. See *United States v. LaSalle National Bank*, 437 U.S. 298, 317, 98 S.Ct. 2357, 2367, 57 L.Ed.2d 221 (1978); *Stuckey*, 646 F.2d at 1373. The task is to identify "those rare cases where bald allegations of harassment or improper purpose can be substantiated." *Author Services*, 804 F.2d at 1523 (quoting *United States v. Church of Scientology of California*, 520 F.2d 818, 824 (9th Cir.1975)). The focal issue is whether an IRS investigation is motivated by legitimate tax purposes. See *United States v. Powell*, 379 U.S. 48, 57-58, 85 S.Ct. 248, 254-55, 13 L.Ed.2d 112 (1964). The district court may properly limit evidentiary hearings on the "good faith" issue to prevent a frustration of legitimate Government objectives. *Church of Scientology*, 520 F.2d at 823-25.

[11] The intervenors argue that the district court improperly limited its inquiry to the issue of whether the summons itself was issued in "good faith," and ignored the larger issue of whether the overall investigation was in "good faith." We reject that argument. At the hearing, C. Phillip Xanthos, the Branch Chief of the IRS Criminal Investigation Division (Los Angeles District), specifically testified to the legitimate tax-determination objectives of the investigation. This and other testimony was sufficient to support the district court's finding that the summons was issued in "good faith." See *LaSalle National Bank*, 437 U.S. at 317, 98 S.Ct. at 2368. See also *Stuckey*, 646 F.2d at 1376; *United States v. Zack*, 521 F.2d 1366, 1368-69 (9th Cir.1975).

E. Restrictions on IRS Disclosure of the Summoned Documents

The district court ordered that "the documents produced in response to the summons shall not be delivered to any other government agency by the IRS unless criminal tax prosecution is sought or an Order of Court is obtained." We review the district court's order for abuse of discretion. See *United States v. Columbia Broadcasting System*, 666 F.2d 364, 368 (9th Cir.1982).

The Government argues that the district court's order conflicts with the disclosure provisions of 26 U.S.C. § 6103. Those provisions, the Government suggests, are the exclusive limitations upon IRS disclosure of return information. In addition, the Government argues that the order represents an improper attempt to enjoin the IRS from obeying a duly enacted federal law.

[12, 13] We recently rejected this argument in *Author Services*, and held that a district court's order restricting the IRS' ability to disclose summoned materials to other governmental agencies, "[r]ather than being an abuse of discretion, ... [could] be a wise exercise of control." *Author Services*, 804 F.2d at 1526. The dis-

trict court's order in this case allows the court to monitor the IRS' use of the summoned documents. This is an appropriate exercise of the district court's discretion: "It is the court's process which is invoked to enforce the administrative summons and a court may not permit its process to be abused." *Powell*, 379 U.S. at 58, 85 S.Ct. at 255. See *S.E.C. v. ESM Government Securities, Inc.*, 645 F.2d 310, 316-17 (5th Cir.1981). A district court may, when appropriate, condition enforcement of a summons on the IRS' agreeing to abide by disclosure restrictions. *Author Services*, 804 F.2d at 1525 (citing *United States v. Texas Heart Institute*, 755 F.2d 469, 481 (5th Cir.1985)).

The intervenors also argue that the district court's order violates 26 U.S.C. § 7421(a) (the "Anti-Injunction Act"), because it has the effect of enjoining the IRS from disclosing the summoned tax information. We reject the argument for the reasons stated in *Author Services*, 804 F.2d at 1526.

F. Exhibit 5-C ("the Tapes")

[14, 15] The district court's rulings on the scope of the attorney-client privilege involve mixed questions of law and fact, and are reviewable *de novo*. See *McConney*, 728 F.2d at 1202. Where the relevant scope of the attorney-client privilege is clear and the decision that the district court must make is essentially factual, however, the district court's rulings as to the privilege are reviewed for clear error. *Id.* at 1200.

[16] The Government contends that the district court erred in finding that the "common interest" rule covered the tapes. The "common interest" rule protects communications made when a nonparty sharing the client's interests is present at a confidential communication between attorney and client. The paradigm case is where two or more persons subject to possible indictment arising from the same transaction make confidential statements that are exchanged among their attorneys. See

Hunydee v. United States, 355 F.2d 183, 185 (9th Cir.1965).

The Government is incorrect, however, in arguing that the "common interest" rule is limited to such a case. Even where the non-party who is privy to the attorney-client communications has never been sued on the matter of common interest and faces no immediate liability, it can still be found to have a common interest with the party seeking to protect the communications. See *Burlington Industries v. Exxon Corp.*, 65 F.R.D. 26, 44-45 (D.Md.1974); *Stanley Works v. Haeger Potteries, Inc.*, 95 F.R.D. 551, 554-55 (N.D.Ill.1964).

[17] The district court found that the parties present at the meetings recorded on the tapes "had a common interest" in sorting out the respective affairs of the Church and Mr. Hubbard. We agree. All of the non-lawyers present at the meeting were employees of the Church.

[18] The Government also challenges the district court's finding that the Church did not waive its attorney-client privilege when it inadvertently delivered the tapes to Armstrong. (Hubbard's personal secretary gave Armstrong the tapes under the mistaken impression that they were blank.) In *Transamerica Computer Co., Inc. v. International Business Machines Corp.*, 573 F.2d 646 (9th Cir.1978), we held that whereas a waiver of the attorney-client privilege occurs when a holder of the privilege voluntarily discloses the privileged matter, no waiver occurs if the holder has no opportunity to claim the privilege or if the holder was erroneously compelled to disclose the privileged matter. *Id.* at 651. The secretary's delivery of the tapes to Armstrong was sufficiently involuntary and inadvertent as to be inconsistent with a theory of waiver.

[19, 20] The Government challenges the district court's ruling that the "crime-fraud" exception to the attorney-client privilege did not apply to the tapes. The attorney-client privilege does not protect communications that further a crime or fraud. See *United States v. Hodge and Zweig*, 548

F.2d 1347, 1354 (9th Cir.1977). The Government had the burden of making a prima facie showing that the attorney-client communications recorded on the tapes were in furtherance of an intended or present illegality. *Id.* We agree with the district court's conclusion that the Government failed to satisfy this burden.

The intervenors argue that the Government's evidence of crime or fraud must come from sources independent of the attorney-client communications recorded on the tapes. In support of this argument, they cite *United States v. Shewfelt*, 455 F.2d 836 (9th Cir.1972). In *Shewfelt*, we said that "before the privileged status of [attorney-client] communications can be lifted, the government must first establish a prima facie case of fraud independently of said communications." *Id.* at 840 (emphasis added). Notwithstanding *Shewfelt*, the Government argues that in assessing the applicability of the "crime-fraud" exception to the tapes, the district court should have considered evidence of the contents of the tapes which the Government presented to the court.

Shewfelt's independent evidence requirement has been strongly criticized. In *In re Berkley and Co., Inc.*, 629 F.2d 548, 553 n. 9 (8th Cir.1980), the Eighth Circuit observed that the two cases cited in *Shewfelt*, assertedly in support of the independent evidence requirement, in fact simply state that a party seeking disclosure under the "crime-fraud" exception must make a prima facie showing of crime or fraud in order to shift the burden of showing the inapplicability of the exception to the party resisting disclosure.

In the fourteen years that have passed since *Shewfelt* was decided, only one court has cited it as authority for the independent evidence requirement. See *Kockum's Industries Limited v. Salem Equipment, Inc.*, 561 F.Supp. 168, 171 (D.Or.1983). By contrast, a number of courts have rejected the *Shewfelt* position. See, e.g., *In re Sealed Case*, 676 F.2d at 815; *In re Special September 1978 Grand Jury*, 640 F.2d 49, 59 (7th Cir.1980); *In re Berkley*,

629 F.2d at 553 n.9; *Coleman v. American Broadcasting Companies, Inc.*, 106 F.R.D. 201, 207 n.9 (D.D.C.1985); *United States v. King*, 536 F.Supp. 253, 262 (C.D. Cal.1982). In *Hodge and Zweig*, we discussed the "crime-fraud" exception at length without ever referring to *Shewfelt*. 454 F.2d at 1354-55. Instead, we referred repeatedly to *United States v. Friedman*, 445 F.2d 1076 (9th Cir.1971), a decision which implicitly recognized that a district court may examine the disputed communications themselves in order to determine the applicability of the "crime-fraud" exception. *Id.* at 1354.

In this case, the communications recorded on the tapes appear to be the Government's best evidence establishing the applicability of the "crime-fraud" exception. This is not surprising, since the illegal advice allegedly given by Church attorneys to Church officials is an integral part of the intended illegality that the Government seeks to establish. The court's observation in *King* is pertinent: "[S]ince the illegal advice is usually given in the attorney-client setting, applying *Shewfelt* to such cases would, in most instances, simply serve to insulate dishonest attorneys from prosecution for obstruction of justice." *King*, 536 F.Supp. at 262.

In *King*, the court speculated that "the independence test set forth in *Shewfelt* does not appear to be the law in the Ninth Circuit." *Id.* We cannot agree. Whatever the merits of the criticisms that have been leveled against *Shewfelt's* independent evidence requirement, we are bound to adhere to our holding in *Shewfelt* unless and until it is reversed by an en banc panel of this court. See *United States v. Spilotro*, 800 F.2d 959, 967 (9th Cir.1986); *Atonio v. Wards Cove Packing Co., Inc.*, 768 F.2d 1120, 1132 n.6 (9th Cir.1985).

The Government's independent evidence of intended illegality consists primarily of: 1) Agent Petersell's Supplemental Declaration of March 8, 1986, in which Petersell stated that his discussions with Gerald Armstrong had given him reason to believe

that the communications recorded on the tapes focused generally on the intentional violation of the tax laws; and 2) Petersell's Supplemental Declaration of March 15, 1986, in which Petersell stated that his discussions with three other former Church employees had given him reason to believe that the communications recorded on the tapes specifically focused on i) a proposed scheme whereby the Church's cash transfers to Hubbard would be disguised as payments for services rendered (allegedly to insulate Hubbard from tax liability and to protect the Church's tax-exempt status), and ii) a proposed scheme whereby Hubbard would be able to control royalty income derived from the "Trademark Trust" (a trust that was created to manage Hubbard's various Scientology-related and other trademarks) without that control being traceable to him.

We agree with the district court that this evidence, while not altogether insubstantial, is not sufficient to make out the requisite prima facie showing of intended illegality.

AFFIRMED.

SOCIALIST WORKERS PARTY; Leroy Watson; Louise Pittell; and Dean Peoples, Plaintiffs-Appellants,

SECRETARY OF STATE OF the STATE OF WASHINGTON, Ralph Munro, Defendant-Appellee.

No. 84-3806.

United States Court of Appeals, Ninth Circuit.

Feb. 9, 1987.

Daniel H. Smith, Seattle, Wash., for plaintiffs-appellants.

James Johnson, Sp. Asst. Atty. Gen., Olympia, Wash., for defendant-appellee.

Before BROWNING, Chief Judge, GOODWIN and SKOPIL, Circuit Judges.

Prior report: — U.S. 107 S.Ct. 533, 93 L.Ed.2d 499.

ORDER

This cause is remanded to the district court for further proceedings in conformity with the Supreme Court's opinion in the above entitled case.

Juan CERRILLO-PEREZ and Magdalena Cerrillo-Garcia,

Petitioners,

IMMIGRATION AND NATURALIZATION SERVICE, Respondent.

No. 85-7681.

United States Court of Appeals, Ninth Circuit.

Argued and Submitted Sept. 4, 1986.

Decided Feb. 10, 1987.

As Amended March 12, 1987.

Aliens sought review of decision by Board of Immigration Appeals upholding immigration judge's denial of their applications for the suspension of deportation. The Court of Appeals, Reinhardt, Circuit Judge, held that Board of Immigration Appeals' failure to explain why it refused or failed to consider alternative hardship to alien parents and their citizen children of separation, upon parents' deportation, on ground that citizen children were of tender age so that, in all likelihood, they would go with parents to Mexico, upon their parents' deportation, required remand for considera-

SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA

CHURCH OF SCIENTOLOGY
INTERNATIONAL
4751 Fountain Avenue
Los Angeles, CA 90029

Plaintiff,

v.

BENT CORYDON
2390 Prenda
Riverside, CA 92504

Defendant.

CA 8048-87

Civil Action No. _____

VERIFIED COMPLAINT FOR DAMAGES FOR DEFAMATION

Plaintiff, by its attorneys, for its complaint
against defendant, alleges as follows:

I. NATURE OF THE ACTION

1. This is an action for damages caused by
defendant's publication over radio station WNTR of false
and defamatory statements of and concerning plaintiff.

II. JURISDICTION AND VENUE

2. Jurisdiction of this Court is founded on D.C.
Code (1981 Edition) Section 11-921 and Section 13-423.
Venue is based upon the origin of publication and
publication in the District of Columbia.

III. PARTIES

3. Plaintiff Church of Scientology

International, is a not-for-profit religious corporation
duly organized under the laws of the State of California.
Plaintiff conducts its activities throughout the United
States including the District of Columbia, and is the
Mother Church of the Churches of Scientology in the United
States. Since 1981, Rev. Heber Jentzsch has been the

president of the Church of Scientology International and has represented plaintiff as its president throughout the United States, including the District of Columbia.

Plaintiff maintains a permanent office in Washington, D.C.

4. Defendant is the author of a book entitled "L. Ron Hubbard Messiah or Madman?", published by Lyle Stuart, Inc. (herein "book").

IV. CAUSE OF ACTION

5. On August 17, 1987, defendant appeared on radio station WNTR as a guest to promote his book on a show known as "Battleline."

6. WNTR broadcasts the "Battleline" show throughout the greater Washington, D.C. metropolitan area and in other areas including Long Island, New York and North Carolina. The show of August 17, 1987, and the particular defamatory statements alleged in paragraph 7 below, were heard throughout those areas and by members of the public who knew and/or understood that Heber Jentzsch is the president of plaintiff Church.

7. While appearing on the "Battleline" show on August 17, 1987, in Washington, D.C., defendant published the following false and defamatory statements of and concerning plaintiff:

Well for one thing well after I had started writing the book a fellow arrived about 6 foot 4 with a leather jacket on and leather gloves, and very strong looking fellow and he came into the place where I work and he was looking for me all over the building. He failed to find me, I happened to be off in another room I just happened to be hiding (inaudible) from him and he finally settled on somebody who's a good friend of mine and he said that Bent Corydon isn't here you'll do and he started smacking him around and yelling that he stood in the way of L. Ron Hubbard's bridge. Now just last week, this was over a year ago, just last week, not the same person, but a fellow similar description, a certain (inaudible) a leather jacket, a black leather gloves the works, followed me out of CNN-TV station and began to follow me out to the parking lot. This is subsequent to the President of the

Church, Heber Jentzsch, pointing at me from outside this fellow went immediately straight towards me. I went back into the building and stood next to the guard. This fellow came in and leaned over me and said something intimidating, I don't remember the exact words.

8. By the aforesaid defamatory statements alleged in paragraph 7 above, defendant intended to convey and did convey to the listening audience the following false and defamatory meanings of and concerning plaintiff:

A. Plaintiff engaged in criminal conduct in that it directed and caused a physical assault on a friend of Corydon's;

B. Plaintiff engaged in criminal conduct in that it directed and caused a threat of physical assault on Corydon;

C. Plaintiff directed and caused a friend of Corydon's to be physically assaulted;

D. Plaintiff directed and caused Corydon to be threatened with physical harm;

E. Plaintiff directed that Corydon be physically assaulted;

F. Corydon would have been physically assaulted pursuant to plaintiff's directions if he had not found a guard to stand next to.

9. The audience that heard defendant's aforesaid defamatory statements of and concerning plaintiff understood said statement to have the false and defamatory meaning alleged in paragraph 8 herein.

10. The reasonable meanings of the aforesaid defamatory statements of and concerning plaintiff were the false and defamatory meaning alleged in paragraph 8 herein.

11. The aforesaid defamatory statements were understood by the audience that heard them to be of and concerning activities and conduct of the plaintiff in that said audience knew that plaintiff's President was and is Heber Jentzsch, who was specifically referred to by

defendant as being involved as President of the Church in the alleged actions charged by defendant. Members of the audience further knew and understood that plaintiff had described and alleged incidents as occurring in an area of California where defendant has its principal offices.

12. By the aforesaid defamatory statements and by their false and defamatory meanings as alleged herein, defendant charged plaintiff with criminal, illegal and unlawful conduct, with conduct entirely improper and contrary to the standards of a religious organization and with malicious and unethical conduct.

13. Plaintiff's reputation, credibility and ability to function as a Church require that it be viewed as an ethical and moral institution that does not engage in either criminal or violent conduct.

14. Defendant knew that the aforesaid defamatory statements set forth above were false and/or published them in reckless disregard of their truth or falsity.

15. The aforesaid defamatory statements set forth above were published by defendant acting in a grossly irresponsible manner in failing to determine their truth or falsity, in failing to follow any responsible standards and practices in determining their truth or falsity, and in knowing that he did not know whether the statements were true.

16. The aforesaid defamatory statements set forth above were published by defendant acting with culpable negligence and in reckless disregard of and indifference to plaintiff's rights and to their truth or falsity, and the damaging consequences that publication of such statements could cause.

17. The aforesaid defamatory statements are utterly false.

18. By reason of the aforesaid acts of defendant, plaintiff has suffered serious damage to its good name and reputation, and has been injured in its ability to conduct

religious affairs and to advance and disseminate the principals and practices of Scientology.

19. Plaintiff has sent to defendant a written request to retract and correct the statements in paragraph 7 above pursuant to California Civil Code Section 48(a). The defendant has not as of this time issued any retraction, nor will he retract in any regard.

20. As a result, plaintiff has suffered actual damages in an amount in excess of \$100,000.00.

21. By virtue of defendant's conduct, plaintiff is entitled to recover punitive damages from defendant in an amount in excess of \$200,000.00.

WHEREFORE, plaintiff demands judgment against defendant, as follows:

- (a) in an amount no less than
\$100,000.00 in actual damages
together with interest thereon;
- (b) in an amount no less than
\$200,000.00 in punitive damage;
- (c) the costs and disbursement of
this action including
reasonable allowances for
counsel fees and other lawful
expenses; and
- (d) such other further relief as
the Court may find just and
proper under the circumstances.

Plaintiff hereby demands a trial by jury of twelve.

DATED: Washington, D.C.
September 15, 1987

District of Columbia, ss:

Sylvia Steward, being first duly sworn on oath says the foregoing is a just and true statement of the amount owing by defendant to plaintiff, exclusive of all set-offs and just grounds of defense.

Sylvia Steward

On behalf of Plaintiff,
Church of Scientology International

Subscribed and sworn to before me this 18th day of September, 1987.

My Commission Expires Jan. 1, 1990

Helene P. Gouvenstein
Notary Public

a.p.d.
Anthony P. Bisceglie, #249201
William C. Walsh, #245621
O'TOOLE, BISCEGLIE & WALSH
1130 17th Street, N.W., Suite 400
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(202) 778-1160

Local Counsel of Record for
Plaintiff

Jonathan W. Lubell
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220 Fifth Avenue
Suite 1600
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(212) 683-5000

Co-Counsel for Plaintiff

SUPERIOR COURT FOR THE DISTRICT OF COLUMBIA

CHURCH OF SCIENTOLOGY
INTERNATIONAL
4751 Fountain Avenue
Los Angeles, CA 90029

Plaintiff,

v.

BENT CORYDON
2390 Prenda
Riverside, CA 92504

Defendant.

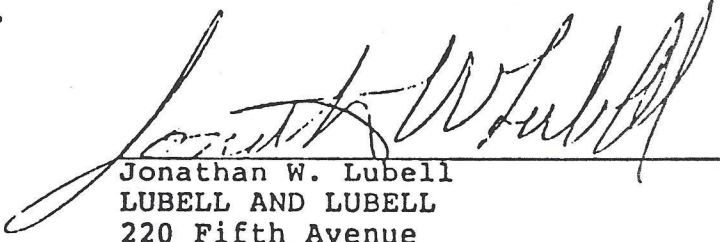
CA 8048-87

Civil Action No. _____

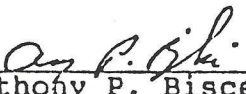
PRAECIPE FOR APPEARANCE PRO HAC VICE

I, JONATHAN W. LUBELL respectfully submit this praecipe pursuant to Rule 101, District of Columbia Superior Court rules, for purposes of entering an appearance on behalf of Plaintiff in the above captioned case.

I am a member in good standing of the bar of the State of New York, and the United States Supreme Court, and in the United States Court of Appeal for the District of Columbia, Second and Ninth Circuits. On one previous occasion I sought to appear in the Superior Court under this Rule and my application was granted.


Jonathan W. Lubell
LUBELL AND LUBELL
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New York, New York 10001
(212) 683-5000

Co-Counsel for Plaintiff


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William Walsh
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Suite 400
Washington, D.C. 20036
(202) 778-1160

Local Counsel of Record for
Plaintiff

(VERIFICATION — 44, 2015 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am the _____

in the above entitled action or proceeding; I have read the foregoing _____

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ at _____, California
(date) (place)

(Signature)

PROOF OF SERVICE BY MAIL (1013a, 2015 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

P.O. Box 511, Pacific Palisades, Ca. 90272

On November 7, 19 88 I served the within Reply to Opposition
to Unseal

on the Parties
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the
United States mail at _____
addressed as follows:

Eric M. Lieberman
Rabinowitz, Boudin, Standard
Krinsky & Lieberman, P.C.
740 Broadway, Fifth Floor
New York NY 10003-9518

Timothy Bowles
Bowles & Moxon
6255 Sunset Blvd. Suite 2000
Hollywood CA 90028

Michael L. Hertzberg
740 Broadway, Fifth Floor
New York, NY 10003-9518

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.
Executed on 11/7/88 at Los Angeles, California
(date) (place)

Felicia Laursberg

ERIC M. LIEBERMAN
RABINOWITZ, BOUDIN, STANDARD
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740 Broadway, Fifth Floor
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(212) 254-1111

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(213) 661-4030

Attorneys for Plaintiff and Cross-Defendant
Church of Scientology of California

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740 Broadway, Fifth Floor
New York, NY 10003-9518
(212) 982-9870

Attorney for Intervenor Mary Sue Hubbard

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Plaintiff,

vs.

GERALD ARMSTRONG, DOES 1 THROUGH
10, INCLUSIVE

Defendants.

MARY SUE HUBBARD,

Intervenor.

GERALD ARMSTRONG,

Cross-Complainant,

vs.

CHURCH OF SCIENTOLOGY OF CALIFORNIA,
a California corporation, et al.,

Cross-Defendants.

Case No. C 420 153

PLAINTIFF/INTERVENOR'S
AND CROSS-DEFENDANT'S
MOTION FOR CLARIFICATION
AND/OR RECONSIDERATION
TO PRESERVE SEAL ON ONE
DOCUMENT PREVIOUSLY HELD
EXCLUDED FROM EVIDENCE
AND HELD TO BE PROTECTED
BY ATTORNEY-CLIENT
PRIVILEGE, AND FIVE
ADDITIONAL DOCUMENTS
PREVIOUSLY EXCLUDED FROM
EVIDENCE AND MAINTAINED
UNDER SEAL

Date: November 30, 1988
Time:
Dept: 56

ORIGINAL FILED
NOV 15 1988
COUNTY CLERK

1 TO BENT CORYDON AND HIS ATTORNEY PAUL MORANTZ:

2 NOTICE IS HEREBY GIVEN that plaintiff Church of Scientology
3 of California moves this court for an order clarifying its order
4 vacating the general sealing order entered in this case at the
5 time of settlement. The Church seeks confirmation that the
6 court did not intend to vacate earlier orders, entered prior to
7 the settlement, which excluded from evidence and sealed one
8 document on the basis of attorney-client privilege. In the
9 event that the court did intend to unseal that document, the
10 Church hereby moves for reconsideration of the order to that
11 extent. The hearing on this matter shall be held on ____
12 on November __, 1988 in Department 56 of the Los Angeles
13 Superior Court, 111 N. Hill Street, Los Angeles, California
14 90012.

15 This motion is based on the accompanying Memorandum in
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1 Support of Motion, the supporting Declaration of Eric M.
2 Lieberman and exhibits, and such further argument as may be
3 presented at the hearing on this matter.

4 Dated: November 15, 1988

Respectfully submitted,

5 ERIC M. LIEBERMAN
6 RABINOWITZ, BOUDIN, STANDARD
7 KRINSKY & LIEBERMAN, P.C.
8 Attorneys for Plaintiff and
9 Intervenor

10 MICHAEL L. HERTZBERG
11 Attorney for Intervenor Mary
12 Sue Hubbard

13 BOWLES & MOXON

14 By: 

15 Timothy Bowles
16 Attorneys for Plaintiff and
17 Cross-Defendant
18 Church of Scientology of
19 California
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ERIC M. LIEBERMAN
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(213) 661-4030

Attorney for Plaintiff and Cross-Defendant
Church of Scientology of California

MICHAEL L. HERTZBERG
740 Broadway, Fifth Floor
New York, NY 10003-9518
(212) 982-9870

Attorney for Intervenor Mary Sue Hubbard

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,	)	Case No. C 420 153
)	
Plaintiff,)	
vs.	)	MEMORANDUM IN SUPPORT
	)	OF MOTION FOR CLARI-
	)	FICATION AND/OR
GERALD ARMSTRONG, DOES 1 THROUGH	)	RECONSIDERATION TO
10, INCLUSIVE	)	PRESERVE SEAL ON ONE
Defendants.	)	DOCUMENT PREVIOUSLY
	)	EXCLUDED FROM EVIDENCE
MARY SUE HUBBARD,	)	AND HELD TO BE PROTECTED
Intervenor.	)	BY ATTORNEY-CLIENT
	)	PRIVILEGE, AND FIVE
	)	ADDITIONAL DOCUMENTS
GERALD ARMSTRONG,	)	PREVIOUSLY EXCLUDED
Cross-Complainant,	)	FROM EVIDENCE AND
vs.	)	MAINTAINED UNDER SEAL
)	
CHURCH OF SCIENTOLOGY OF CALIFORNIA,	)	Date: November __, 1988
a California corporation, et al.,	)	Time:
Cross-Defendants.	)	Dept: 56

1 Plaintiff Church of Scientology of California requests that
2 the court clarify its order vacating the general sealing order
3 entered in this case at the time of settlement. In particular,
4 the Church requests that the court make clear that its order is
5 not intended to and does not vacate earlier orders of this
6 court, entered at the time of and at the conclusion of the trial
7 herein, and prior to the settlement and general sealing order,
8 excluding from evidence and sealing one specific document on the
9 basis of attorney-client privilege. In the event that the court
10 did intend to unseal that document, we respectfully seek
11 reconsideration of the order to that extent.

12 The relevant facts and procedural history are set forth in
13 the declaration of Eric M. Lieberman, submitted with this
14 motion. Briefly, they are as follows:

15 1. Plaintiff brought this action to recover thousands of
16 pages of private and valuable documents which defendant
17 Armstrong surreptitiously took from Church archives.

18 2. At the outset of this litigation, this court enjoined
19 Armstrong from copying or disseminating the documents, and
20 required him to surrender the documents to the clerk of the
21 court, to be placed under seal. Armstrong complied with the
22 court's order, and the documents were deposited with the clerk.
23 Among the documents were two tape recordings of attorney-client
24 conferences involving plaintiff Church.

25 3. During the trial, defendant attempted to introduce the
26 tape recordings, which were marked as Exhibit 500-CCCCC
27 ("500-5Cs") for identification only, into evidence. Plaintiff
28 objected on grounds of attorney-client privilege, and showed

1 that the tapes were recordings of two attorney-client
2 conferences, that the tapes inadvertently came into Armstrong's
3 possession without the knowledge of plaintiff, and the
4 conferences were wholly proper and lawful attempts by the
5 plaintiff to seek legal advice on corporate and tax matters.
6 See Declaration of Eric M. Lieberman, and exhibits attached
7 thereto. The trial court refused to enter the tapes into
8 evidence, and ruled that they are presumptively covered by the
9 attorney-client privilege. The trial court maintained the seal
10 on the exhibit at the conclusion of the trial. See Memorandum
11 of Intended Decision, p. 2, fn. 1.

12 4. There are five other documents presently resting in the
13 court's files which also were never entered into evidence or the
14 public file in this case, and which have remained sealed
15 throughout the history of this case. These documents are
16 Exhibits 500-5K, 500-5L, 500-5O, 500-5P, 500-6O.

17 5. On September 25, 1985, the United States Department of
18 Justice sought access to various documents in this case,
19 including exhibit 500-CCCCC (the MCCS tapes). On February 11,
20 1985, Judge Breckenridge denied the government's motion. He
21 ruled that the tapes were protected by the attorney-client
22 privilege, that the Church had not waived the privilege, and
23 that the so-called "crime-fraud" exception to the privilege was
24 not applicable.^{1/} On March 4, 1988, the government's appeal

25 1. In rejecting the government's assertion that the
26 crime-fraud exception applies, Judge Breckenridge followed
27 well-established California law that a California court must
28 look only to evidence independent of the communications
themselves. See Dickerson v. Superior Court (1982) 135

1 from Judge Breckenridge's ruling was dismissed.

2 6. Subsequent to Judge Breckenridge's order of February
3 11, 1985, the Internal Revenue Service issued an administrative
4 summons to the clerk of the Superior Court demanding that the
5 clerk turn over various documents in this case, including
6 exhibit 500-5Cs, for use in an ongoing IRS investigation. The
7 plaintiff herein intervened in the proceeding and opposed
8 production of the tapes on grounds of attorney-client privilege.
9 The United States District Court for the Central District of Los
10 Angeles (Harry Hupp, J.) held that the MCCS tapes were
11 privileged, and denied enforcement of the summons with respect
12 to the tapes.^{2/} Judge Hupp's decision was affirmed by a
13 panel of the Ninth Circuit Court of Appeals, United States v.
14 Zolin (1987) 809 F.2d 1411, and by the Ninth Circuit, sitting
15 en banc (1988) 842 F.2d 1135. (The Ninth Circuit panel and
16 the en banc court precluded counsel from referring to the
17 contents of the tapes at oral argument, because of the public
18 nature of the hearings.) The Supreme Court has recently granted
19 certiorari on the question of whether the Ninth Circuit and
20 the District Court followed the correct federal court procedure

21 (footnote cont'd)

22 Cal.App.3d 93, 100, 185 Cal.Rptr. 97; Nowell v. Superior
23 Court (1963) 223 Cal.App.2d 652, 657, 36 Cal.Rptr.

24 21. Corydon's assertion (Reply Memo at 8, Para. 24) that
25 California law permits or requires the court to review the
26 communications at issue is not only unsupported by authority,
27 but unsupportable.

28 2. Judge Hupp did order limited enforcement of the summons
with respect to the five other documents which remain under seal
in this court's file. See footnote 1 supra. Judge Hupp
prohibited the IRS from disseminating or disclosing the contents
of those documents to any other federal agency.

1 in determining that the privileged MCCS tapes (exhibit 500-5Cs)
2 were not subject to the "crime-fraud" exception to the
3 attorney-client privilege. The issue will be argued in March
4 1989.^{3/} See Declaration of Eric M. Lieberman, paragraphs
5 10-14.

6 7. Meanwhile, while the collateral litigation with the
7 federal agencies was proceeding in the state and federal courts,
8 the parties in this case reached a settlement of the Church's
9 underlying claim for return of the documents, and of Armstrong's
10 counterclaims. Pursuant to that settlement, all documents in
11 the court file were to be returned to the Church, and the file
12 was to be sealed. This reflected the fact that the underlying
13 purpose of the litigation was to protect the privileged and
14 private documents which Armstrong had taken. The MCCS tapes,
15 and the five additional previously sealed documents, however,
16 were not returned because of the ongoing litigation in the
17 federal courts in the Zolin case.

18 DISCUSSION

19 In vacating the general seal on the court file imposed by
20 Judge Breckenridge at the time of the settlement of this case,
21 this court did not explicitly address itself to the separate
22 preexisting seals on the MCCS tapes. Those sealing orders, as
23 demonstrated above, was entered on the basis of attorney-client
24 privilege at the time of trial; it had nothing to do with the
25 general sealing order entered subsequently at the time of

26 3. The Supreme Court also granted certiorari on the
27 question of the limitation upon IRS disclosure of summonsed
28 documents to other federal agencies.

1 settlement. Moreover, the MCCS tapes were not admitted as
2 exhibits at trial, and form no part of the record of trial.

3 At the hearing on November 9, this court observed:

4 Any privileged document that was filed, obviously,
5 the privilege was terminated, and, therefore,
6 there's no grounds for keeping anything that's in
7 this public file private or secret.

8 Reporter's transcript at 1. The MCCS tapes, however, were not
9 "filed" in the "public file" in this case. They neither were
10 entered into evidence nor submitted in connection with pleadings
11 or discovery proceedings. They exist in the court file only
12 because defendant Armstrong was ordered to turn them over to the
13 court clerk, under seal, where they have remained to this day.
14 This court and the federal courts have assiduously protected the
15 private and privileged nature of the tapes, to this date. The
16 privilege has never been "terminated," and the tapes should be
17 kept "private or secret" because they are privileged.

18 This court acknowledged on November 9 that attorney-client
19 documents may be filed in camera without destroying the
20 privilege. Reporter's Transcript at 4. We request that this
21 court clarify that its unsealing order is not intended to and
22 does not destroy the privilege with respect to the MCCS tapes,
23 and that the tapes shall remain under seal.

24 In the event the court did intend to unseal the MCCS tapes,
25 we respectfully request reconsideration. The privileged nature
26 of the tapes is beyond contravention, as has been held by Judge
27 Breckenridge twice, by Federal Judge Hupp, by a unanimous panel
28 of the Ninth Circuit, and by the Ninth Circuit, sitting en
banc. Even the dissenting judge from the Ninth Circuit en

1 banc decision agreed that the tapes are privileged; his
2 dissent went only to the question of the proper procedure by
3 which federal courts should determine applicability of the
4 crime-fraud exception. United States v. Zolin, 842 F.2d at
5 1136-39. And it is only with respect to that procedural issue
6 that the Supreme Court has granted certiorari.

7 In the face of these repeated judicial affirmances of the
8 privileged nature of the MCCS tapes, movants have presented no
9 facts or arguments to breach the privilege. Indeed, in their
10 belatedly filed reply papers, Corydon implicitly acknowledges
11 that he is not entitled to unseal attorney-client privileged
12 documents. See Reply to Opposition to Motion to Unseal Files,
13 p. 11.

14 CONCLUSION

15 The MCCS tapes were not entered into evidence in this case.
16 They were sealed by Judge Breckenridge on the basis of the
17 attorney-client privilege. Judge Breckenridge, Judge Hupp and
18 the Ninth Circuit en banc have sustained the privilege
19 against vigorous attack by the federal government. The movants
20 herein have shown no reason to depart from those rulings, which
21 indubitably were correct.

22 Accordingly, this court should clarify or amend its order
23 to specifically provide that the MCCS tapes remain under seal on
24 the ground of attorney-client privilege.

25 Similarly, the five additional documents which have
26 remained under seal should not be disclosed or unsealed. They,

27 ///

28 ///

1 too, have never appeared in the public record or been admitted
2 into evidence at trial.

3 Dated: November 15, 1988

Respectfully submitted,

4 ERIC M. LIEBERMAN
5 RABINOWITZ, BOUDIN, STANDARD
6 KRINSKY & LIEBERMAN, P.C.
7 Attorneys for Plaintiff and
8 Intervenor

9 MICHAEL L. HERTZBERG
10 Attorney for Intervenor Mary
11 Sue Hubbard

12 BOWLES & MOXON

13 By: 

14 Timothy Bowles
15 Attorneys for Plaintiff and
16 Cross-Defendant
17 Church of Scientology of
18 California

I, Eric M. Lieberman, declare:

1. I am a member of the firm of Rabinowitz, Boudin, Standard, Krinsky & Lieberman, P.C. I served as chief counsel on appeal for the plaintiff in this case. I also served as chief counsel for the Church of Scientology of California in the federal court litigation of United States v. Zolin which is referred to in this declaration, infra. I am fully familiar with the facts and judicial proceedings in both cases.

2. The instant case was brought principally to recover a large body of private and privileged documents which defendant Armstrong had taken from the Church.

3. Shortly after the initiation of this lawsuit, Judge Cole of this court issued a temporary restraining order and then a preliminary injunction, prohibiting Armstrong from further copying or disseminating the documents and requiring him to submit them to the clerk of the court, under seal.

4. Among the documents taken by Armstrong and turned over to the court, under seal, were two tape recordings of meetings between representatives of the plaintiffs and their attorneys concerning corporate and tax matters. These tape recordings came to be known as the MCCS tapes. Subsequent testimony established that the MCCS tapes had come into Armstrong's hands inadvertently and without knowledge of the Church when a secretary gave the tapes to Armstrong for recording purposes, thinking the tapes were blank.

5. The tapes remained under seal up to the time of trial in this case, and, as I shall explain below, subsequent thereto.

6. At the time of trial, Armstrong's attorney attempted to introduce the tapes into evidence. The Church's objection on the basis of the attorney-client privilege was upheld by Judge Breckenridge, and the tapes were not introduced into evidence or referred to in the course of testimony at trial. Instead, Judge Breckenridge explicitly held that the tapes were to remain under seal. The tapes were marked as exhibit 500-CCCCC (500-5C's), for identification only. In Judge Breckenridge's Memorandum of Intended Decision of June 20, 1984, he specifically noted at page 2, footnote 1 that the exhibit was not accepted into evidence, and that the exhibit was to remain under seal.

7. Subsequent to trial, on September 25, 1984, the Department of Justice sought limited access to a number of sealed exhibits, including the MCCA tapes, for use in a civil lawsuit then pending in Washington, D.C. The Church objected to disclosure of the MCCA tapes on the basis of attorney-client privilege, and submitted declarations of three individuals, including James M. A. Murphy of the firm of Rosenfeld, Meyer & Susman, who participated in the meetings. The declarations demonstrated that the meetings were bona-fide attorney-client conferences concerning tax and corporate matters, that there was no discussion of a then-present or ongoing crime or fraud, and

that the tapes came into Armstrong's possession without the knowledge or authorization of the Church or any of its officers, directors, or managing agents. I have reproduced and attach hereto as Exhibits A, B and C, copies of the declarations of Mr. Murphy, Lisa Britowich, and Barbara De Cello; copies of these declarations were previously submitted to the federal district court in the Zolin case, which also involved the privileged status of the MCCS tapes. I discuss the Zolin case at greater length, infra.

8. Judge Breckenridge once again upheld the attorney-client privilege with respect to the MCCS tapes. He found that there was no knowing or intelligent waiver of the privilege, and that the crime-fraud exception to the privilege did not apply. See Reporter's Transcript of Proceedings of February 11, 1985, pp. 74-76 (Exhibit D, hereto). He therefore refused to grant the government limited access to the tapes. Order of February 11, 1985 (Exhibit E, hereto).

9. While the proceedings described in paragraphs 7 and 8 above were pending before Judge Breckenridge, the Internal Revenue Service served an administrative summons upon the clerk of this Superior Court, directing the clerk to turn over to the IRS various sealed documents from this case, including the MCCS tapes. When the clerk refused to comply because of the existence of the sealing order, the IRS filed a federal court action on January 22, 1985, seeking to enforce the summons. That action is what is now referred to as United States v. Zolin.

The Church and Mary Sue Hubbard intervened in the federal lawsuit, and interposed various objections, including the attorney-client privilege with respect to the MCCS. The Church again submitted the declarations of James Murphy (of Rosenfeld, Meyer and Susman), Lisa Britowitch, and Barbara DeCelle, which are attached hereto as Exhibits A, B and C. The declarations established beyond peradventure the existence of the attorney-client privilege.

10. The federal court, per District Judge Harry Hupp, upheld the privilege with respect to the MCCS tapes on the same basis as did Judge Breckenridge of this court. On the question of the purported crime-fraud exception, Judge Hupp reviewed in camera extensive excerpts of the tapes, and found no evidence of an ongoing or present crime or fraud. Accordingly, he denied enforcement of the IRS summons with respect to the MCCS tapes. See Exhibit F, hereto.

11. On appeal, a panel of the United States Court of Appeals for the Ninth Circuit upheld Judge Hupp's determination with respect to the MCCS tapes. Relying exclusively on the declarations before it, and not the sealed excerpts of the tapes, it found that the meetings undisputably were bona-fide attorney-client conferences presumptively protected by the privilege, and that the Church had not waived the privilege. On the crime-fraud issue, the court held that the federal courts may not look at the contents of the communications themselves; the opponent of the privilege must demonstrate the existence of the exception

by prima facie independent evidence of a crime or fraud. It held that the IRS had not made the requisite showing, and upheld the privilege. See United States v. Zolin, 809 F.2d 1411 (9th Cir. 1987).

12. The Ninth Circuit granted review en banc on the question of whether the independent evidence rule is required in federal courts. The en banc court held that the independent evidence rule is required, and therefore vacated its en banc order as improvidently granted. United States v. Zolin, 842 F.2d 1135 (9th Cir. 1988). Judge Beezer dissented from the Ninth Circuit en banc decision, on the ground that the district court should have the discretion to review the contents of the communications. 842 F.2d at 1136-39. Significantly, even Judge Beezer found that Judge Hupp had acted well within his discretion in reviewing partial sealed transcripts of the MCCS tapes and upholding the privilege. Id. at 1139.

13. On October 17, 1988, the Supreme Court of the United States granted certiorari in the Zolin case on the question of the "independent evidence" rule. The case is presently scheduled to be heard in the March Term of the Supreme Court.

14. It is significant to note that even if the Supreme Court reverses the Ninth Circuit on the independent rule and agrees with Judge Beezer of the Ninth Circuit that district courts should have discretion to review the contents of the communications themselves, it is highly likely that Judge Hupp's decision on the merits of the attorney-client privilege will be

upheld. Judge Hupp, after all, did not apply the independent evidence rule, but reviewed extensive transcripts of the tapes in camera. Judge Beezer would have held that Judge Hupp acted within his discretion in upholding privileged.

15. The MCCS tapes have remained sealed in this court throughout all the proceedings described above. The reason for the seal has nothing to do with the general seal of the record imposed by Judge Breckenridge at the time of settlement. Rather, the tapes were sealed because they have been held to be privileged, and they never were entered into evidence or made part of a public file in this case.

I declare under penalty of perjury under the laws of New York and California that the foregoing is true and correct. Executed this 11th day of November, 1988 at New York, New York.



ERIC M. LIEBERMAN

DECLARATION OF JAMES M. A. MURPHY

I, JAMES M. A. MURPHY, do hereby declare as follows:

1. I am a partner in the law firm of Rosenfeld, Meyer and Susman and have been associated with the firm since November, 1977. I am admitted to practice in the States of California and New York.

2. I make this declaration to set forth the basic facts concerning Rosenfeld, Meyer and Susman's relationship with Laurel Sullivan, L. Ron Hubbard and the Church of Scientology of California, and the attorney-client relationship which this firm had with them.

3. In either late 1979 or early 1980 I was introduced to Laurel Sullivan. Ms. Sullivan was engaged in a project concerning the structure of the relationship between Mr. L. Ron Hubbard and the Church of Scientology in its corporate form. The project concerned primarily the future structure but was prompted by and concerned as well as a number of lawsuits already filed against the Church and/or Mr. Hubbard. This project was referred to as the Mission Corporate Category Sort Out ("MCCS"). This firm was retained because of our expertise in the areas of intellectual property, corporate and tax law, which were major areas of concern in the project on which we were consulted. More specifically, my areas of expertise are in the areas of tax and corporate law, and it is in those areas that I have concentrated my work for the past several years.

1 4. Ms. Sullivan was an individual with whom our firm
2 had substantial contact in terms of providing factual
3 information necessary for our rendering legal advice,
4 providing guidance as to the client's views and goals, and
5 receiving legal advice. At the time, an attorney with our
6 firm, Alan Wertheimer, was also involved in rendering legal
7 advice on these problems. Our firm and I considered the
8 various problems from the perspective of Mr. Hubbard. Many of
9 the problems with which we dealt concerned a sorting out of
10 various affairs between Mr. Hubbard and the Church of
11 Scientology, and we often dealt with problems on which there
12 was a mutuality of interest between Mr. Hubbard and the
13 Church. While the matters upon which we rendered advice were
14 obviously specific to the circumstances, the focus of our work
15 was similar to work for other clients, i.e., how to legally
16 achieve certain ends, and what legal options were available
17 for the structuring of corporate and individual relationships.
18 I have often been asked to provide legal advice on issues
19 similar to those which I gave in the course of the above
20 representation.

21 5. It was my understanding that all of the
22 communications between Ms. Sullivan, or others associated with
23 the project, and myself or my law firm concerning these
24 matters were intended to be confidential and are subject to
25 the attorney-client privilege. Equally, when matters of
26 mutual interest between Mr. Hubbard and the Church arose, and
27 there were communications with individuals representing the
28

1 Church's interests present, it was my understanding that
2 communications on such matters and the meetings themselves
3 were also intended to be confidential and are subject to the
4 attorney-client privilege. The privileged nature of the
5 relationship, and the consequent necessity to maintain
6 confidentiality, was understood by all concerned.

7 6. I have been advised that there is a question as to
8 the applicability of the attorney-client privilege to certain
9 meetings or conferences which occurred in late 1980. I recall
10 that, at that time, a series of discussions occurred, some at
11 our firm's offices, which involved individuals and attorneys
12 representing the interests of both the Church and Mr. Hubbard.
13 These meetings definitely were encompassed within the
14 attorney-client relationships I have described above. The
15 purpose of the meetings was to have a frank discussion
16 concerning the past relationships in order to enable the
17 participating attorneys to develop well-founded, legitimate
18 proposals for submission to the clients concerning the future
19 structuring of the relationship between the relevant parties,
20 notably Mr. Hubbard and the Church.

21 7. I am also advised that it is now claimed by various
22 parties that the purpose of the MCCS project was to perpetrate
23 some type of crime or fraud, and that the conferences which
24 were tape recorded were in furtherance of a crime or a fraud.
25 In relation to these allegations, I would like to advise the
26 court as follows:

27
28

1 A. From the inception of our firm's work on the MCCS
2 project, the objective was to eliminate legal
3 difficulties which potentially or in fact inhered in the
4 way that certain relationships presently existed, and to
5 solve problems in a lawful way so that any possible legal
6 difficulties would be diminished in the future.

7 B. The relationship which our firm had to this project
8 was regular and systematic -- entailing virtually daily
9 contact. Had we at any point had reason to believe that
10 we were being consulted for criminal or fraudulent
11 purposes, we would have withdrawn from our
12 representation, and there was never any question of our
13 in fact having to do so.

14 C. The types of problems which I advised on in this
15 matter were not unlike those on which I am commonly
16 consulted. As with many clients, there were questions
17 concerning whether certain things had been handled
18 properly in the past and how they should be handled in
19 the future. Such concerns are commonly the subject of
20 advice which attorneys render.

21 8. I consider myself bound by the attorney-client
22 privilege with respect to these matters and have no authority
23 nor intention to waive the privilege. In providing the Court
24 with the general description of my firm's relationship, I do
25 so to demonstrate that Ms. Sullivan was, with respect to our
26 firm, the representative of a client with whom, it was our
27 understanding, we had a confidential lawyer-client
28

1 relationship. If I were not constrained by the privilege, I
2 could of course elaborate in greater detail on all of these
3 matters.

4 I declare, under penalty of perjury, that the foregoing
5 is true and correct.

6 Executed at Los Angeles, California on January 21, 1985.

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8 
JAMES M. A. MURPHY

9 AMS6:ARM-JM.DOC

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

FOUNDING CHURCH OF SCIENTOLOGY
OF D.C., INC.,

Plaintiff,

v.

DIRECTOR, FEDERAL BUREAU OF
INVESTIGATION, et al.,

Defendants.

Civil Action No.
78-0107

JUDGE JOYCE GREEN

DECLARATION

I, LISA BRITOWICH, declare and say:

1. I am a former staff member of the Church of Scientology.

During the fall of 1980 I was a member of the Church's Legal Bureau. During that time I participated in a special project called the Mission Corporate Category Sort-out.

2. The purpose of the MCCS project was to clarify and legally define the Scientology corporate structure. Various matters, including the relationship between the different Scientology organizations, between the Church's corporate status and ecclesiastical matters, between the Church as an organization and L. Ron Hubbard, the Founder of the Religion of Scientology all required attention. As the name of the project makes clear, those of us on this mission were trying to sort out the various legal relationships noted above. This was carried out for the purpose of providing factual information to the attorneys representing the various entities involved, so that informed legal advice could be provided.

3. These meetings were in part an effort to clarify where the Church stood in relation to the large number of lawsuits that had been filed against it. Over the years the Church's corporate structure and corporate affairs had not been given the attention they needed. Many different people have been involved in the corporate matters at different times, not all of whom were familiar with past events, or who were expert in these matters. Thus, the Church's corporate affairs were sorely in need of re-examination. The heavy litigation which hit the Church in the 1980's served to signal the Church legal people that even determining which corporate body might be liable, required such a project. Once this project got

EXHIBIT A

4

underway, it became evident that, because of L. Ron Hubbard's position as Founder and his many years of contributions to the Church, any sort-out of the Church's affairs would have to take into account L. Ron Hubbard's affairs.

4. Two meetings which were tape recorded and which are described by Mr. Armstrong in his declaration were part of a series of meetings held during that time by members of the mission and various attorneys.

5. The individuals that I recall being present at these meetings included the following: Laurel Sullivan, a Church of Scientology member in over-all charge of the mission and assigned by the Church to represent Mr. Hubbard's interests in his absence; Alan Werthheimer, retained by the Church to represent Mr. Hubbard's legal interests; Church representatives Charles Parselle, an English barrister and head of the Church's legal department, holding the post of Deputy Guardian Legal, Worldwide and who functioned as the Church's general counsel on an international level; Dick Sullivan, representing Golden Era Studios, a film production studio affiliated with the Church of Scientology and myself, a member of the Church's legal department. At certain of these meetings there was an attorney retained by Golden Era Studios, Ron Fujiwaka, although I am not certain whether he was present during the specific meetings referred to by Mr. Armstrong.

6. This somewhat unusual form of legal consultation was necessitated by the fact that the Church was unable to communicate with Mr. Hubbard, and at the same time felt a legal, moral and ethical obligation to have his interests protected and represented in sorting out Church legal matters which affected him.

7. I do recall these meetings very well. They were definitely considered attorney-client conferences which were fully intended to be confidential and privileged. The substance of the conferences included discussions of factual information with the attorneys. The purpose, as noted above, was to clarify the legal relationship between the Church and Mr. Hubbard, to ensure the integrity of the parties, and determine any actions necessary to protect all parties' legal interests. This was considered particularly necessary because of pending civil damage suits, alleging acts of the Church as the basis for recovery, and naming Mr. Hubbard and the Church as co-defendants on a theory of joint participation in alleged torts.

8. ~~Sam~~ Armstrong held the position of Archives I/C (In Charge) within the ~~Cham~~ his office was located near the legal department. Mr. Armstrong ~~has~~ participated in any of the conferences themselves, or other business of the project. So far as I am aware, he was not given authority to take ~~the~~ tapes, or copy them for his own use. Certainly I was never ~~asked~~ by anyone and asked whether such a disclosure was being consented to by me, and I never gave such permission.

I ~~swear~~ ~~under~~ penalty of perjury that the foregoing is true and correct.

Executed at Los Angeles, California on 10 December 1984.


LISA BRITOVICH

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

----- X
FOUNDING CHURCH OF SCIENTOLOGY
OF D.C., INC.,

Plaintiff,

v.

DIRECTOR, FEDERAL BUREAU OF
INVESTIGATION, et al.,

Defendants.
----- X

Civil Action No.
78-0107
JUDGE JOYCE GREEN

I, BARBARA DE CELLE, declare as follows:

1. I am a member of the Church of Scientology. This declaration is based upon my personal knowledge, and I can competently testify thereto if called as a witness.

2. In 1980 I was employed by a division of the Church and was assigned to secretarial duties for a temporary unit established within the Church of Scientology of California.

3. The project to which I was assigned involved communications back and forth between members of the project and various attorneys retained by the Church. It was my understanding that the matters upon which the project worked were highly confidential and were not to be disclosed outside of the individuals on the project and those responsible for the project. It was my further understanding that the communications between those of us on the project and the attorneys retained to advise us were all confidential.

4. At a certain point in time, Laurel Sullivan, who was in charge of the overall project, asked me to transcribe certain tapes of meetings between members of the project and certain attorneys. It was my understanding that the substance of the tapes and the tapes themselves were confidential. I did transcribe the tapes and when finished I placed the tapes in a secure place in my desk.

5. I can unequivocally state that the tapes were kept in my desk drawer when I was not transcribing them. I have no recollection of ever giving the tapes to Mr. Armstrong. I can state that if Mr. Armstrong had asked me for the tapes, I would not have given the tapes to him so long as the tapes still reflected the recordings of the meetings.

6. I was at no time authorized to disclose the tapes or the discussions recorded upon the tapes to Mr. Armstrong.

I declare under penalty of perjury that the foregoing is true and correct.

Executed at Los Angeles, California on ~~October~~ ^{DECEMBER 21st.} 9, 1984.



BARBARA DE CELLE

1 SUPERIOR COURT OF THE STATE OF CALIFORNIA

2 FOR THE COUNTY OF LOS ANGELES

3 DEPARTMENT NO. 57

HON. PAUL G. BRECKENRIDGE, JR., JUDGE

4 CHURCH OF SCIENTOLOGY OF CALIFORNIA,)

5 Plaintiff,)

6 vs.)

7 GERALD ARMSTRONG,)

8 Defendant.)

9 MARY SUE HUBBARD,)

10 Intervenor.)

11 / 2-585
No. C 420 153

12 REPORTER'S TRANSCRIPT OF PROCEEDINGS

13 MONDAY, FEBRUARY 11, 1985

14 APPEARANCES:

15 (See next page)

16 COPY

17 NANCY L. HARRIS, CSR #644
18 Official Reporter

19 EXHIBIT E

1 We were using general language or language
2 that seemed to be conditional merely out of an abundance
3 of caution with respect to the Church. We didn't want to
4 make an accusation that we couldn't prove.

5 Finally the MCCS project was clearly a
6 planning project. It wasn't a project based on just the
7 review of historical facts. I believe Mr. Murphy's
8 declaration, also the Church brief makes it quite clear
9 that the purpose of MCCS was perhaps to plan in light of
10 past facts, but certainly above all else to plan for the
11 future.

12 That concludes my remarks, Your Honor.

T7 13 THE COURT: Well, I guess I have heard you gentlemen
14 talking for some time and I have had a lot of thoughts
15 about this thing for a long time, and I start up with the
16 proposition that at the trial I was not satisfied there was
17 a waiver and nothing has been submitted to me since that
18 would convince me to change my position that there was not
19 a waiver.

20 As I recall the evidence and the declaration,
21 the tape was given to Mr. Armstrong with the apparent
22 belief that it was blank and he would use it for
23 dictating and for other purposes in the course of the
24 biography project.

25 As far as the crime fraud exception, of
26 course, I accept the California law that you can't look
27 at the conversation itself to make that determination. You
28 have to find other independent evidence. Mr. Flynn had a

1 lot of problem with that at the trial, I remember, and
2 so I operate from that assumption. If I am wrong, I am
3 wrong. But I operate from the assumption I cannot look
4 at what is on the tape to determine whether the crime fraud
5 exception applies.

6 Now, Mr. Armstrong's and Miss Sullivan's
7 declarations. Of course, they testified at the trial and
8 one of the problems that we had in the trial of this was
9 that a lot of information that Miss Sullivan became aware
10 of in this project was information that she became aware
11 of as part of this attorney-client situation. This
12 information that she became aware of and didn't want to
13 take the time or the effort at that time to try to sort it
14 out and try to figure out what perhaps she knew from her
15 previous experiences and that which she acquired as working,
16 in effect, as a legal assistant preparing for the Sort-Out
17 project.

18 I have already indicated I don't have any
19 quarrel with the credibility of Mr. Murphy. I am
20 satisfied that he was acting honestly and in good faith.
21 It brings us down to a problem of where this attorney-
22 client privilege stands and the role of the attorney,
23 while I suppose it has been denigrated in the public media
24 from time to time, it still plays an important role in our
25 society and in the manner in which we deal with the
26 courts and government and so forth. I think that probably
27 on balance that the public policy which favors full and
28 open communication between a client and lawyer has to

1 prevail over the suggestion that there was some secret
2 intent on the part of the person who is communicating with
3 the lawyer.

4 It would be too easy to set aside the
5 privilege if that were the fact, at least in the absence
6 of very strong evidence to that effect.

7 So, I am going to sustain the privilege solely
8 as to what is on that tape. I don't want anybody suggesting
9 that I have gone any further than that. Just as to what is
10 on that tape is concerned, I am finding that privileged.
11 I will sustain the objection.

12 MR. HERTZBERG: You mean both tapes?

13 THE COURT: Is there more than one?

14 MR. HERTZBERG: There are two tapes.

15 THE COURT: Whatever is here. I don't know what is
16 on them other than some reference to partial transcripts,
17 so that is the order.

18 Now, so far as this sealing, which affidavit
19 do you want sealed? Do you want me to order some affidavits
20 in some other litigation are sealed?

21 MR. COPELAND: No, Your Honor. We think that what
22 is here in front of Your Honor is the affidavits that have
23 been filed here. The situation is as follows, and I think
24 it will be very simple to deal with, Your Honor, and I
25 will not revisit any of the arguments that have come up.

26 There is the Armstrong affidavit in which
27 he sets forth the various, what he purports to be
28 transcriptions of the tapes that Your Honor just upheld the

Date FEB. 11, 1985

SUPERIOR COURT OF CALIFORNIA, COUNTY OF LOS ANGELES

HONORABLE G. BRECKENRIDGE, JR. JUDGE

R. HART

Deputy Clerk

Deputy Sheriff

N. HARRIS

Reporter

J. SALGADO

Court Attendant

(Parties and counsel checked if present)

C 420 153

CHURCH OF SCIENTOLOGY OF
CALIFORNIA,

VS

GERALD ARMSTRONG,

MARY SUE HUBBARD-INTERVENOR

Counsel for Litt & Stomer for Intervenor
Plaintiff BY: Michael S. Magnuson ✓

Peterson & Brynan for Plff

Counsel for BY: John G. Peterson ✓

Defendant Michael Lee Hertzberg ✓ -Pro Hac
Vice for Plff and Intervenor
Overland, Berke, Wesley, Gits,

Randolph & Levanas for X-erts

BY: Donald C. Randolph ✓

O'Toole, Bisceglie & Walsh-Pro Hac Vi
for plff in Washington case

BY: Jeffrey B. O'Toole ✓

Rabinowitz, Boudin, Standard,

Krinsky & Lieberman -Washington case

BY: Edward Copeland ✓

United States Attorney

BY: John W. Toothman ✓ and

Janet M. McClintock ✓

for moving party

NATURE OF PROCEEDINGS:SECOND NOTICE OF MOTION OF THE UNITED STATES, A NON PARTY, TO INSPECT
AND COPY CERTAIN SEALED DOCUMENTS

Motion resumes from December 3, 1984.

Responding party objects to this Court hearing any further matters until the issue of the 170.6 is resolved by the Appellate Court. Request of responding party for a Stay until the "...Appellate Process has run its course", is denied.

Motion argued.

Motion denied as to exhibits 500-4D's through 4i's, 5C's, 5G's, 5i's, 6B's and 6O's; Motion granted as to exhibits 500-4Q's, 5K's, 5L's, 5O's, 5P's and 5Q's. **The Court finds a waiver of the privilege and further as to exhibit 500-5K's, said exhibit does not fall within the spousal privilege.

Motion of responding party for an order sealing the declarations of Sullivan and Armstrong, granted; said declarations are sealed for this proceeding only.

STAY OF EXECUTION IS GRANTED FOR TEN DAYS.

Counsel for moving party to prepare an order including a protective order, serve on responding party and submit to the Court for signature.

**subject to protective order

(2)

DEPT. 57

MINUTES ENTERED

2-11-85

COUNTY CLERK

RECEIVED

MAY 02 1985

Ass'd.....

FILED

APR 30 1985

CLERK, U.S. DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA
BY *LM* DEPUTY

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,

Petitioner,

vs.

FRANK S. ZOLIN, CLERK
OF THE SUPERIOR COURT,

Respondent.

CHURCH OF SCIENTOLOGY
OF CALIFORNIA,

Intervenor.

NO. CV 85-0440-HLH

ORDER

The Court makes the following Orders and Findings:

1. Reconsideration is denied as to Exhibits 5G and 5I; the Order of March 12, 1985 will stand.

2. Intervenor Church has failed to raise any doubt of the good faith of the Internal Revenue Service in pursuing this summons enforcement proceeding. Specifically, it is found that a bona fide criminal tax investigation of T. Ron Hubbard is being conducted by the IRS for the years 1979-83, that the matter has not been

1 referred to the Department of Justice for prosecution, that the
2 summons was validly issued pursuant to that investigation, that
3 the agent issuing the summons was in good faith in doing so, and
4 did not do so for an improper purpose, or to harass the taxpayer,
5 or for a collateral purpose. No further discovery on this issue
6 is warranted.

7 3. With the exception of Exhibits 6B and 5C (the "MCCS
8 tapes"), the Court finds that all potentially applicable privil-
9 eges (attorney-client, marital) have been waived by voluntary
10 delivery of the material to Gerald Armstrong. In addition, no
11 privilege has been validly asserted by the holder of a potential
12 privilege as to certain items (Exhibits 5L and 5P).

13 4. Sufficient relevancy being shown, the IRS is entitled
14 to inspect and copy Exhibits 5K, 5L, 5O, 5P and 6O, and the
15 summons is to be enforced as to those items.

16 5. No relevancy or waiver has been shown for Exhibit 6B,
17 and it need not be produced.

18 6. As to Exhibit 5C (the "MCCS tapes"), the Court finds:

19 (a) The tapes consist of confidential communications
20 between attorneys and clients or clients' authorized agents.

21 (b) The confidential communications were between
22 clients and their attorneys who had a common interest; the privi-
23 lege was, therefore, not destroyed by publication of the communi-
24 cation to an outsider.

25 (c) There was no waiver of the privilege by delivery
26 to an outsider, the Court finding that the tapes were delivered to
27 Gerald Armstrong by mistake, and, in addition, that Petitioner has
28 not carried the burden of showing waiver.

1 (d) The "fraud-crime" exception to the attorney-
2 client privilege does not apply. The quoted excerpts tend to
3 show or admit past fraud but there is no clear indication that
4 future fraud or crime is being planned.

5 (e) The Order sealing the Petersell affidavit (filed
6 March 15, 1985) quoting excerpts from the tapes will remain sealed.

7 (f) This Court's copy of the tapes will remain sealed
8 in possession of the Court's Clerk until after any appellate
9 review of this Order, after which it is to be returned to the
10 Superior Court. The Clerk of the Superior Court need not produce
11 its copy of the tapes pursuant to the summons.

12 7. The documents delivered hereunder shall not be deliv-
13 ered to any other government agency by the IRS unless criminal
14 tax prosecution is sought or an Order of Court is obtained.

15 Petitioner is to prepare an Order in accord with this
16 Order and the Order of March 12, 1985. This Order is stayed for
17 sixty (60) days, and thereafter if an appeal or application for
18 a writ is filed and until decision on appeal or writ application
19 is rendered.

20 IT IS SO ORDERED.

21 DATED: April 30, 1985.

22 
23 HARRY L. HUPP
United States District Judge

24 A copy of this Order mailed to:

25 Charles H. Magnuson, Asst. U.S. Attorney
26 Donald C. Randolph, Esq.
27 Gordon Trask, County Counsel
28

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On November 15, 1988, I caused to be served the foregoing document described as PLAINTIFF/INTERVENOR'S AND CROSS-DEFENDANT'S MOTION FOR CLARIFICATION AND/OR TO PRESERVE SEAL ON ONE DOCUMENT PREVIOUSLY HELD EXCLUDED FROM EVIDENCE AND HELD TO BE PROTECTED BY ATTORNEY-CLIENT PRIVILEGE AND FIVE ADDITIONAL DOCUMENTS PREVIOUSLY EXCLUDED FROM EVIDENCE AND MAINTAINED UNDER SEAL; MEMORANDUM IN SUPPORT OF MOTION FOR CLARIFICATION AND/OR RECONSIDERATION TO PRESERVE SEAL ON ONE DOCUMENT PREVIOUSLY HELD EXCLUDED FROM EVIDENCE AND HELD TO BE PROTECTED BY ATTORNEY-CLIENT PRIVILEGE, AND FIVE ADDITIONAL DOCUMENTS PREVIOUSLY EXCLUDED FROM EVIDENCE AND MAINTAINED UNDER SEAL on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Hollywood, California, addressed as follows:

SEE ATTACHED LIST.

If hand service is indicated on the attached list, I caused this to be served by hand, otherwise I caused such envelopes with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on November 15, 1988 at Hollywood, California.

A handwritten signature in black ink, appearing to be "C. B.", is written over a horizontal line.

SERVICE LIST

Toby Plevin **HAND SERVED**
SAYRE, MORENO, PURCELL & BOUCHER
10866 Wilshire Boulevard
Fourth Floor
Los Angeles, CA 90024

Paul Morantz **HAND SERVED AT PO BOX**
P.O. Box 511
Pacific Palisades, CA 90272

Attorneys for Plaintiff(s)

However, insofar as the Motion for Reconsideration does not seek reconsideration as to the entire file but

1 only a small part thereof, these interested parties
2 hereby request that the Court lift the stay as to the
3 file except for the specific documents for which
4 reconsideration has been requested.

5 These interested parties further request that the
6 Court take note of the attached Declaration of Vicki
7 Aznaran, an ex-Scientologist of high rank, particularly
8 with regard to paragraphs 12, 13, 14 and 16, showing a
9 repeated Scientology practice of destroying evidence
10 and showing other disdain for the court system (as in
11 paragraphs 11 and 15) including attempts to influence
12 judges (paragraphs 15 and 21). In view of this pattern
13 and practice, these interested parties request that the
14 Court, on its own motion, modify the unsealing order so
15 as to assure that its intention is carried out: that
16 is, that all interested parties and initially the
17 parties who moved for the unsealing order, have access
18 to the complete file without fear that persons
19 affiliated with the party opposed to the unsealing do
20 not prevent access to the file, or worse.

21 If the Court prefers not to so rule on its own
22 motion, then the parties represented herein withdraw
23 their request for a lifting of the stay so that they

24 ///

25 ///

26 ///


27

28

1 may fully brief this issue prior to the unsealing of
2 the file in order to assure the integrity of the file
3 once unsealed.

4 DATED: *LN. 21, 1988*

6 SAYRE, MORENO, PURCELL & BOUCHER

7 

8 FEDERICO E. SAYRE, ESQ.
9 TOBY L. PLEVIN, ESQ.

1 CUMMINS & WHITE
2 BARRY VAN SICKLE
3 SEAN T. OSBORN
4 S. FRANK HARRELL
5 1600 Wilshire Boulevard
6 Suite 300
7 Los Angeles, California 90017-1695
8 (213) 413-3600

9 Attorneys for Plaintiffs
10 VICKI J. AZNARAN and RICHARD N. AZNAR

*Receives
Original*

11 UNITED STATES DISTRICT COURT
12 CENTRAL DISTRICT OF CALIFORNIA

13 VICKI J. AZNARAN and RICHARD N.
14 AZNARAN,

15 Plaintiffs,

16 vs.

17 CHURCH OF SCIENTOLOGY OF
18 CALIFORNIA, INC., CHURCH OF
19 SPIRITUAL TECHNOLOGY, INC.,
20 SCIENTOLOGY MISSIONS INTERNATIONAL,
21 INC., RELIGIOUS TECHNOLOGY CENTER,
22 INC., AUTHOR SERVICES, INC., CHURCH
23 OF SCIENTOLOGY INTERNATIONAL, INC.,
24 CHURCH OF SCIENTOLOGY OF LOS
25 ANGELES, INC., MISSION OFFICE
26 WORLDWIDE, AUTHOR FAMILY TRUST,
27 THE ESTATE OF L. RON HUBBARD,
28 DAVID MISCAVIAGE, and NORMAN
STARKEY,

Defendants.

Case No. : CV-88-1786-
JMI (Ex)

DECLARATION OF
VICKI J. AZNARAN

DECLARATION OF VICKI J. AZNARAN

I, Vicki J. Aznaran, make the following declarations on personal knowledge except where the context indicates knowledge based upon information and belief.

1. My husband Richard Aznaran and I are plaintiffs in the instant action wherein defendants (hereinafter referred to collectively as "Scientology") have moved to strike our entire complaint and to prevent our attorneys from representing us.

2. As set forth in more detail below, my husband and I were involved with Scientology for approximately 15 years. For much of that time we were members of an organization known as the Sea Organization. This organization is an elite organization within Scientology. The Sea Organization has considerable influence and control over Scientology organizations. Generally, Sea Organization members hold the management posts within Scientology.

3. In 1978, after approximately four years as staff members, my husband and I joined the Sea Organization. From 1978 to early 1987, my husband and I worked most of our waking hours, with very few days off, at our various assignments within Scientology. I eventually became President of Religious Technology Center and, supposedly, the top "ecclesiastical" authority within Scientology. Richard was a high-level security officer. During this period my husband and I became intimately familiar with the structure and activities of various Scientology organizations. Among other things, I was briefed on and sometimes a participant in meetings involving litigation tactics and various

1 means used to attack and fight "enemies" of Scientology. In
2 numerous instances I was in the chain of command or approval for
3 such activities. The legal strategy of Scientology and the
4 existence of numerous potential legal problems, some of which are
5 set forth below, were known to me when I was a staff member in
6 Scientology. Contrary to what I understand to be claimed by
7 defendants herein, Mr. Yanny did not reveal to me the legal
8 strategies or secrets of Scientology. Nor did Mr. Yanny invent or
9 open my eyes to the wrongs that I had suffered at the hands of
10 Scientology.

11 4. I have become an "enemy" of Scientology. This has
12 certain consequences that will influence what Scientology will do
13 in this litigation. For example, it is important to understand
14 that their value system allows dishonesty if done in the name of
15 Scientology.

16 5. Enemies of Scientology are deemed to be "suppressive
17 persons" ("SPs"). One becomes a "suppressive person" by doing a
18 suppressive act, such as suing Scientology as a litigant or
19 lawyer. In the jargon of Scientology, when one is "declared" this
20 means that one has been declared a "suppressive person" and,
21 therefore, may be harassed, hurt, damaged or destroyed without
22 regard to truth, honesty or legal rights. It is considered
23 acceptable within Scientology to lie, cheat, steal and commit
24 illegal acts in the name of dealing with a "suppressive person".

25 6. This practice or policy is sometimes referred to as the
26 policy of "fair game". In the jargon of Scientology, a person who
27 is "declared" is understood to be a suppressive person. This
28 means that the person is "fair game". The fair game policy was

1 issued in the 1960s. It was never cancelled. A document was
2 issued for public relations reasons that purportedly cancelled
3 "fair game"; however, that document stated that it did not change
4 the manner of handling persons declared "SP." In reality, the
5 purported cancellation of fair game is at most a matter of
6 semantics. Enemies of Scientology are treated as "fair game."

7 7. It is my understanding, and I have so testified in my
8 deposition, that when my husband and I escaped from Scientology we
9 were not immediately declared suppressive persons or subjected to
10 the fair game policy. Among other things, we were compelled to do
11 certain things and sign various documents to escape and avoid
12 being subjected to fair game treatment. As we have now sued
13 Scientology, we are "fair game".

14 8. From 1984 through early 1987, I was President of
15 Religious Technology Center (hereinafter "RTC"). As President of
16 RTC and a Sea Organization member, I attended many meetings
17 concerning the numerous legal actions involving Scientology
18 organizations. During this time period, I had personal access to
19 all legal documents having to do with RTC. I received a report
20 every day on my computer that included a synopsis of each ongoing
21 legal case involving Scientology. I received, or so I was told,
22 copies of every major motion filed in cases involving Scientology.
23 I was on the "approval lines" for legal documents dealing with
24 RTC. During this time period, I had the option of attending legal
25 meetings although some were mandatory. I attended many litigation
26 meetings and became generally aware of Scientology's dirty tricks
27 and legal maneuvers. On specifics, I frequently deferred to
28 in-house and outside counsel, however, at least in theory, I was

1 the head of RTC and had access to any business or litigation
2 "secrets" of Scientology.

3 9. As President of RTC, I was one of those responsible for
4 retaining the services of Joseph Yanny as counsel for Scientology
5 organizations. I supervised and worked with Mr. Yanny who served
6 as coordinating attorney for RTC in 1985. I am not aware of any
7 legal or corporate information concerning RTC that was available
8 to Mr. Yanny but not available to me.

9 10. I am informed and believe that various Scientology
10 organizations are contending that Mr. Yanny has somehow improperly
11 educated me on the legal maneuvers, tactics and affairs of
12 Scientology. Although such claims are consistent with litigation
13 tactics of Scientology, which are not constrained by considera-
14 tions such as truth and reality, the proposition that I need
15 Mr. Yanny to educate me on the internal affairs of Scientology is
16 simply wrong. I was one of the highest ranking members of
17 Scientology and was involved in upper management. Mr. Yanny was a
18 lawyer hired by management, of which I was a part, to work for it.
19 Further, it was the practice during the time period in question to
20 screen the information given to outside counsel such as Mr Yanny.

21 11. It is the stated policy and practice of Scientology to
22 use the legal system to abuse and harass its enemies. This crude,
23 fundamental directive of Scientology is no secret. In any event,
24 this information did not come to me from Mr. Yanny. The policy is
25 to do anything and everything possible to harass the opposing
26 litigant without regard to whether any particular motion or
27 maneuver is appropriate or warranted by the facts or applicable
28 law. That policy was followed in every legal case I was involved

1 with or learned about while a member of the Sea Organization. The
2 management of Scientology consistently expressed and demonstrated
3 a complete disdain for the court system viewing it as nothing more
4 than a method to harass enemies. Some examples of this are set
5 forth below.

6 12. During litigation between Gerald Armstrong and
7 Scientology, which was before Judge Breckenridge of Superior Court
8 for Los Angeles County, the court ordered the production of
9 Armstrong's pre-clear ("PC") folders. These are files maintained
10 by Scientology on those who submit to interrogation sessions in a
11 process called auditing. During the course of that litigation I
12 was ordered to go through Armstrong's folders and destroy or
13 conceal anything that might be damaging to Scientology or helpful
14 to Armstrong's case. As ordered, I went through the files and
15 destroyed contents that might support Armstrong's claims against
16 Scientology. This practice is known within Scientology as
17 "culling PC folders" and is a common litigation tactic employed by
18 Scientology.

19 13. During other litigation in Los Angeles known to me as
20 the Wollersheim case, I was told that the judge had ordered the
21 production of Wollersheim's folders. As ordered, I "culled" these
22 files. In other words, I removed contents that might have been
23 damaging to Scientology or support Wollersheim's claims against
24 Scientology. For example, I removed evidence of events involving
25 his family, the anguish this caused him, evidence of disconnection
26 from family and evidence of fair game.

27 14. I was involved in numerous meetings concerning what is
28 known to me as the Christofferson case in Portland, Oregon. This

1 case was tried twice. In the first case, a Scientology witness by
2 the name of Martin Samuels was coached and drilled for hours on
3 how to lie convincingly or avoid telling the truth. Before or
4 during the second trial he admitted to this course of conduct. In
5 this litigation, a Scientologist by the name of Joan Shriver
6 produced responsive documents that may have been incriminating.
7 This was a serious breach of policy for which she was punished.
8 These documents were ordered produced on such short notice that
9 apparently files were not thoroughly "culled". In another case,
10 Mr. Yanny was severely criticized and almost fired for failing to
11 properly coach and feed the desired answers to Heber Jentzsch.
12 Mr. Jentzsch was, for public relations reasons, the purported head
13 of the Church of Scientology International. During his deposi-
14 tion, Mr. Jentzsch was unable to answer fundamental questions
15 concerning the management of Church of Scientology International.
16 This may be what certain defendants are referring to when they say
17 that they were dissatisfied with Mr. Yanny's services and I
18 protected him. There were those, including McShane, who were
19 outraged by the embarrassing testimony of Mr. Jentzsch. This was
20 blamed on Mr. Yanny. I did not wish to discontinue using
21 Mr. Yanny at RTC for this perceived problem.

22 15. In November, 1985, I was present at a meeting whereat
23 Earle Cooley, a Scientologist lawyer, Lyman Spurlock and Norman
24 Starkey, all high ranking Scientologists, announced that they were
25 going to contact Judge Mariana Pfaelzer. Earlier that day Judge
26 Pfaelzer had denied a Scientology motion for a temporary
27 restraining order. After losing on the application there was a
28 meeting to determine what to do about the situation. At the

1 meeting Mr. Cooley had a file that purportedly contained back-
2 ground and personal information on Judge Pfaelzer. During the
3 meeting Mr. Cooley and the others announced that they were going
4 to attempt to meet with Judge Pfaelzer that evening, at her house
5 if necessary, concerning the litigation in which the temporary
6 restraining order had been sought. Thereafter, Mr. Cooley and two
7 others left with their file on Judge Pfaelzer. They returned
8 several hours later at which time I was told that their attempts
9 to contact Judge Pfaelzer had been unsuccessful.

10 16. In late 1979 and early 1980, there was a massive docu-
11 ment destruction program undertaken to destroy any evidence
12 showing that L. Ron Hubbard ("LRH") controlled Scientology. I
13 participated in this activity in Clearwater, Florida and am
14 informed that there was also intensive document destruction at
15 facilities in Gilman Hot Springs, California. From at least that
16 point onward there was a continuous effort to hide or destroy any
17 evidence of Hubbard's control. For example, during an IRS in-
18 vestigation in 1984 and 1985, while in bed with pneumonia, I was
19 ordered out of bed by Norman Starkey who told me that they had
20 received a tip from a Los Angeles Police officer advising them of
21 a pending IRS raid in Los Angeles. Mr. Starkey ordered me to go
22 to a computer facility and insure that all information on the
23 computers in Los Angeles that might show Hubbard's involvement and
24 control of Scientology's money was destroyed except for one copy
25 of each document. These copies were to be saved on computer discs
26 which were to be hidden in secure storage places. At the time I
27 was also instructed to destroy anything that would show the
28 control of Mr. Starkey or Mr. Miscavige over Scientology.

1 17. I have been informed and believe that a an improper
2 affidavit was filed in a case brought by L. Ron Hubbard, Jr. in
3 Riverside, California. The circumstances were as follows: The
4 document purported to be an affidavit of L. Ron Hubbard. The
5 signature of Hubbard was purportedly notarized by David Miscavige.
6 It is my understanding that this affidavit caused the case to be
7 dismissed. Subsequently, I was told by Pat Broeker, who had been
8 living with Hubbard at the time, and by Miscavige, that Miscavige
9 had not seen Hubbard between 1980 and Hubbard's death in 1986.
10 Accordingly, the affidavit was apparently signed, notarized and
11 dated during a time period when Hubbard was in seclusion and not
12 seen by the person who purportedly notarized the signature of
13 Hubbard.

14 18. In or about 1981, while working in a Scientology organi-
15 zation known as the Guardian's Office, I had access to and
16 observed various written and oral communications pertaining to
17 illegitimate activities participated in by the Guardian's Office.
18 The Guardian's Office attempted to infiltrate both governmental
19 and private agencies including the IRS, the Department of Justice,
20 the American Medical Association and the National Institute of
21 Mental Health. The purpose of this was to steal documents pur-
22 suant to Hubbard's "Snow White" program. The goal of this program
23 was to eliminate any negative reports about Hubbard and
24 Scientology that may have been held by these various agencies.

25 19. While involved in Scientology I became aware of various
26 operations directed against an author who had written a negative
27 book about Scientology. The author, Paulette Cooper, was sub-
28 jected to various forms of harassment. One operation included an

1 attempt to frame her. A false bomb threat was written. A
2 Scientology agent lifted a fingerprint from Cooper's apartment.
3 These fingerprints were then transferred to the bomb threat
4 letter. Ms. Cooper was subjected to an investigation and was not
5 cleared until an FBI raid resulted in the seizure of Scientology
6 documents that exposed the operation as a frame-up. There was at
7 least one other operation directed against Ms. Cooper. The
8 substance of it was to plant a boyfriend to reinforce and play
9 upon her suicidal tendencies in the hopes that she would commit
10 suicide.

11 20. In 1976 and 1977, the then Mayor of Clearwater, Florida,
12 Gabe Cazares was involved with litigation against Scientology.
13 Arrangements were made to have an attorney by the name of Merril
14 Vanniere, a Scientologist, represent Mr. Cazares and sabotage his
15 case. This plot was also exposed by documents obtained in an FBI
16 raid of a Scientology facility. Also, in response to Mr. Cazares'
17 litigation against Scientology, an attempt was made to implicate
18 Mr. Cazares in a staged hit-and-run accident.

19 21. During the time period of my involvement with
20 Scientology, I also learned of various attempts to influence
21 judges or force their removal from cases. For example, a private
22 investigator named Dick Bast obtained a statement from a prosti-
23 tute concerning involvement with a certain judge in Washington,
24 D.C. who was sitting on a Scientology case. This was then pub-
25 licized. The judge did not continue on the case. The same
26 investigator, Dick Bast was also hired for the purpose of at-
27 tempting to force the removal of a judge in Tampa, Florida. This
28 involved what I know as the Burden case, which was civil

1 litigation brought by Michael Flynn. Dick Bast secured a yacht
2 and attempted to get the judge on board for the purpose of filming
3 him under compromising circumstances. The judge declined to go
4 yachting and the operation was unsuccessful. Approximately
5 \$250,000.00 was spent on the operation.

6 22. I have been informed by Mark (Marty) Rathbun, a high
7 ranking Scientologist, that his private investigator, Gene Ingram,
8 "fed" a confession to Ala Tamimi when visiting him in an Italian
9 prison. This false confession was, in substance, that Tamimi had
10 been involved in a bad check scam involving an account of L. Ron
11 Hubbard. This false confession implicated attorney Michael Flynn
12 in the check scam. Michael Flynn was at the time considered a
13 major enemy of Scientology because he represented numerous clients
14 with claims against Scientology. This purported confession was
15 used to slander and attack Michael Flynn. Michael Flynn has also
16 been sued by Scientology as part of its "strategy" for handling
17 enemies.

18 23. During an IRS criminal investigation in the 1984 to 1985
19 time period, the IRS ordered production of various communications
20 between Hubbard and Author Services, Inc. (ASI). The ASI staff
21 worked literally day and night for several days reviewing docu-
22 ments so that unfavorable documents could be destroyed or other-
23 wise concealed from the IRS. Lyman Spurlock and Marion M. Dendui,
24 Scientologists involved in this operation, informed me of this
25 operation. Also during this IRS investigation, my husband, Rick
26 Aznaran, was ordered to remove and conceal any incriminating
27 documents from certain locations. He was also directed to make
28 the computer network "raid proof". This involved creating a

1 system where incriminating documents could be deleted from
2 computer storage rapidly and before the IRS could obtain control
3 over the computers.

4 24. In 1985, I attended a conference on "squirrels" attended
5 by Miscavige, Starkey, Spurlock, and McShane, members of top
6 management, and others. In Scientology jargon, "squirrels" are
7 people who use or practice some procedures also used by
8 Scientology but who do not submit to the total control of the
9 Scientology organization and, perhaps most importantly, who do not
10 pay a percentage of their auditing or counseling fees to
11 Scientology. At this meeting, David Miscavige ordered that public
12 Scientologists be organized and motivated to physically attack
13 squirrels and disrupt their operations. This was stated to be
14 pursuant to the standard guidelines of Scientology. Pursuant to
15 such directives, efforts were undertaken to intimidate and disrupt
16 these persons and their organizations.

17 25. In 1981, operation "Juggernaut" was commenced. The
18 purpose of this was to destroy Michael Flynn who, as stated above,
19 was representing various plaintiffs with litigation against
20 Scientology. This operation contemplated the use of infiltration,
21 propaganda and attempts to persuade clients to turn against him.

22 26. The Guardians' Office got into so much trouble, and
23 worse yet got caught, that it was decided in the early 1980's that
24 the Guardians' Office should be disbanded. This was purely a
25 public relations gimmick. In short, it was decided that the
26 Guardians' Office and Mary Sue Hubbard, its then leader, were to
27 take the rap for all criticism and improper conduct. This scheme
28 was laid out in various written communications I observed in 1981

1 and 1982. (Of course, I was not allowed to keep or escape from
2 Scientology with any such incriminating documents.)

3 27. Since the early 1970's, Scientology has operated a
4 forced labor camp known as the Rehabilitation Project Force
5 ("RPF"). Staff members are incarcerated in the RPF for various
6 real or imagined offense. People confined at this camp are forced
7 to perform hard physical labor every day. They eat rice and
8 beans, or left-overs, and wear rags. They are deprived of suf-
9 ficient sleep. In 1987, I was confined in such a camp at Happy
10 Valley for approximately six weeks. I worked all day and was
11 confined in a room at night. To the best of my knowledge I was
12 guarded 24 hours a day. They would not even let me shower alone.
13 I had to obtain permission to use a bathroom. I was ill and not
14 allowed to obtain medical treatment. I was not allowed to com-
15 municate with my husband nor was I allowed to obtain adequate
16 sleep. I was told that I had gone insane and that my husband did
17 not want to communicate with me. I was physically and psycho-
18 logically abused both at Happy Valley and for numerous days
19 thereafter in a process called "security checking". Much over-
20 simplified, I was grilled on a primitive lie detector called an
21 E-Meter and made to understand that I would not be released, have
22 my property returned, or escape fair game policy unless I even-
23 tually gave all of the "right" answers. Examples of "right"
24 answers were responses that I would not talk to a lawyer or
25 consider suing Scientology. I had to give such answers before
26 being released.

27 28. Recovering from the years of brainwashing, thought
28 control and propaganda to which Scientology subjected me is a

1 gradual process that I do not fully understand. I am not a
2 psychologist or psychiatrist and do not fully understand the
3 ramifications of what I have been through although I can observe
4 and experience many symptoms. I have many nightmares and a fear
5 of Scientology.

6 29. The suit brought by Richard Aznaran and myself is based
7 upon real events that happened to real people, namely us. Just as
8 my husband and I do not need Mr. Yanny to educate us on any
9 secrets of Scientology, it is simply untrue that our claims were
10 somehow invented or manufactured by Mr. Yanny. The whimsical
11 notion that Mr. Yanny invented this litigation through my husband
12 and me is simply false.

13 30. My husband and I consider Mr. Yanny to be a friend.
14 Further, it might be noted that Mr. Yanny was to serve as my
15 personal counsel in a class action against Scientology and
16 numerous individuals including myself. Recent events have changed
17 this, however, there was a period of time when Mr. Yanny was
18 purportedly designated as my personal counsel with the approval of
19 Scientology.

20 31. My husband and I feel quite strongly that we want Barry
21 Van Sickle and the firm of Cummins & White to represent us in this
22 case. Our reasons are both subjective and objective. We do not
23 wish to list our subjective reasons, although we will do so if the
24 Court requests it. Objectively, it might be noted that we had
25 considerable difficulty finding counsel willing and in a position
26 to undertake this extremely volatile, time consuming and expensive
27 litigation. We are unable to pay hourly rates to pursue our
28 claims and need a firm willing to work with us on a contingency

1 fee basis. I anticipate great difficulty, delay and prejudice if
2 forced to find other counsel.

3 32. Based upon my experience within Scientology and as a
4 litigant against it, I understand that this is not routine liti-
5 gation. If I am forced to find other counsel, prospective counsel
6 will be presented with the following situation:

7 (a) A complex case that must be handled on a contin-
8 gency fee and cost-advanced basis;

9 (b) A case that requires a litigation team and sub-
10 stantial financial resources;

11 (c) A case involving an opponent who has a practice and
12 history of suing opposing lawyers as a tactic in addition to
13 subjecting opposing lawyers to surveillance, depositions, infil-
14 tration, bad publicity and the full ramifications of the fair game
15 policy;

16 (d) A case where the opponent is not constrained by a
17 need to be cost effective, truthful, honest or reasonable; and

18 (e) A case that requires extraordinary security
19 precautions.

20 I declare under penalty of perjury under the laws of the
21 State of California that the foregoing is true and correct.

22 Executed this 9th day of August, 1988, in Dallas, Texas.

23
24
25 Vicki J. Aznaran
VICKI J. AZNARAN

26 Re-executed under penalty of perjury this 27th day
27 of October, 1988, in Dallas, Texas.

28 Vicki J. Aznaran
VICKI J. AZNARAN

1
2
3 PROOF OF SERVICE BY HAND
4

5 STATE OF CALIFORNIA)
6) ss
7 COUNTY OF LOS ANGELES)
8)
9)
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28)

I, Evelyn Taylor, am a resident of/employed in the aforesaid county, State of California. I am over the age of 18 years and not a party to the within action. My business/residence address is: 10866 Wilshire Blvd., Fourth Floor, Los Angeles, California 90024.

On November 22, 1988, I served the foregoing: JOINDER IN OPPOSITION TO RECONSIDERATION OF UNSEALING ORDER on the interested parties in this action by placing a true copy thereof, enclosed in a sealed envelope, addressed as follows:
SEE ATTACHED SERVICE LIST

By personal service, I caused such envelope to be delivered by hand to the offices of the addressee.

I certify under the penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on November 22, 1988



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(213) 459-4745

5 Attorney for Defendant
6
7

8 SUPERIOR COURT OF THE STATE OF CALIFORNIA
9 FOR THE COUNTY OF LOS ANGELES

10	HEBER JENTZSCH,	)	CASE NO. NVC 14274
11)	
12	Plaintiff,)	
13)	
13	vs.	)	OPPOSITION TO MOTION
14		)	TO RECONSIDER
14	BENT CORYDON,)	
15		)	NOVEMBER 30, 1988
15	Defendant.	)	DEPT. 56
16	_____)	

17 I.
18 INTRODUCTION

19 1. This is a motion by Scientology to vacate a portion of
20 the court's ruling of November 9, 1988 wherein the court lifted
21 the sealing order as it relates to the herein file.

22 2. Preliminary, CCP 1008 allows an application for a
23 reconsideration "based upon an alleged different state of
24 facts...".

25 3. No new facts have been alleged.

26 4. Scientology further alleges specific orders ruling or
27 claims that supported its position.

28 5. This puts the herein party, Bent Corydon, at a specific
disadvantage. As the court has stayed the opening of the file,

1 Bent Corydon is not able to inspect the file to verify the
2 accuracy of the representations. At the very least, Bent Corydon
3 should have access to examine the file to prepare an opposition
4 to this motion, should the court grant the right to a hearing of
5 a motion to reconsider (as indicated below we do not believe that
6 CCP 1008 has been complied with).¹ In the papers filed for this
7 day, Scientology in paragraph two of the Points and Authorities
8 asserts that the court from the outset enjoined Armstrong from
9 copying or disseminating the documents. Scientology omitted that
10 Judge Breckenridge decision (attached to the original moving
11 papers) specifically revoked such orders. Given Scientology's
12 history of citing incomplete, or false records, it is imperative
13 that we have access to the court file to prepare the opposition.

14 6. Another example is found by comparing Scientology's
15 proposed order vs. the minute orders of 2-11-85 attached to the
16 herein moving papers. They simply do not match. Contrary to the
17 proposed order, the minute orders do not reflect a denial of Exh.
18 500-CCCCC.

19 7. The court further found that Exh. 500-5K was not within
20 any privilege and ordered it produced to the United States
21 Government. It appears that the court specifically found Exh.
22 500-5L, 500-50, 500-5P all not to be subject to any privilege,
23 the same having been waived. These documents were then given to
24 the United States Government. Yet Scientology's proposed order
25

26 ¹ In our reply to the opposition to the original motion we
27 pointed out that Scientology had misstated Judge Breckenridge's
28 findings, suggesting that the ruling had been against Armstrong
(when it had been in his favor), represented THE UNITED STATES v.
ZOLIN 809 F.2d 1411, upheld the sealing order, when in fact it
allowed documents to be discovered and the sealing order was not
even raised.

1 Corydon from seeking to meet the evidentiary burden in order to
2 get the tape into evidence in his litigation.

3 II.

4 CCP 1008 HAS NOT BEEN COMPLIED WITH

5 10. CCP 1008 allows reconsideration based upon new facts.

6 11. In essence, Scientology argued this position at the
7 initial hearing when the opportunity was there to do so. This
8 motion is not an argument of new facts, but is a more detailed
9 repetition of the initial argument.

10 III.

11 BENT CORYDON SHOULD HAVE OPPORTUNITY TO INSPECT
12 THE FILE PRIOR TO ANY ADVERSE RULING

13 12. Should the court consider granting any such relief, it
14 should only do so after Bent Corydon has been able to inspect the
15 balance of the file in order to present an opposition thereto.
16 Scientology has the benefit of setting forth what it contends
17 occurred without Mr. Corydon having equal access to the court
18 record in order to be able to present any evidence to the
19 contrary, should the same exist.

20 IV.

21 EACH COURT WHERE LITIGATION IS PENDING HAS THE RIGHT
22 TO DETERMINE ITS ADMISSABILITY OF EVIDENCE
23 CORYDON CAN MEET THE EVIDENTIARY BURDEN

24 13. As stated in the original motion, Bent Corydon is the
25 defendant in four Scientology-related lawsuits, three of which
26 are for defamation. The fourth seeks to remove property from Mr.
27 Corydon's current church claiming it really belongs to the Church
28 of Scientology. Mr. Corydon has a counter-claim for being the
victim of Scientology "fair game."

14. Should the court grant any relief as requested herein,
Mr. Corydon would be boxed in between one or more courts,

1 possibly with rules that will prevent his day in court.

2 15. As set forth in FORD v. SUPERIOR COURT 118 Cal.App.3d
3 737, another department of the Superior Court cannot overrule
4 another Superior Court Judge. As such, none of the other courts
5 where litigation is pending has the power to order any documents
6 in the herein case produced.

7 16. Therefore, unless this court allows Mr. Corydon to
8 obtain copies of said documents, he is not able to present it to
9 the court where his litigation is pending. At the same time, it
10 follows that this court cannot rule on the admissability of the
11 evidence in the other four cases. Each court, on its own, must
12 examine the issues of relevancy and privilege and determine
13 whether or not those documents are to be admissable.

14 17. Mr. Corydon cannot make his admissability arguments,
15 nor his arguments on the subject of privilege to this court, yet
16 if the documents are not unsealed he will not have them upon
17 which to make his request for admissability in the courts where
18 the litigation is pending.

19 18. Should the court consider granting any relief to
20 Scientology, then we request that the court have certified copies
21 of the documents transferred under seal to the clerk where
22 litigation is pending. Applications and hearings on the issues
23 of admissability and privilege can then be made before the courts
24 who have jurisdiction of the pending litigation.

25 19. Another reason for this request is to prevent the
26 disappearance of the evidence. The moving papers for this motion
27 state that pursuant to the settlement of this case many documents
28 were returned to Scientology. Thus, per the Declaration of Vicki

1 Anazeran attached to the November 9, 1988 moving papers, such
2 documents have now been destroyed pursuant to Scientology cover-
3 up orders. And only a subpoena from the IRS has so far prevented
4 certain documents from being returned to Scientology as of this
5 date. Should that barrier be removed, these documents, too,
6 would be lost to Bent Corydon even if he were to prevail on the
7 relevance and privilege issues.

8 20. We would request that copies be sent to the Clerk,
9 Department B, San Fernando Branch. There, two cases JENTZSCH v.
10 CORYDON NVC 14274 and CARMICHAEL v. CORYDON 189414 have been
11 assigned to Judge Bruce Sottile for all purposes pursuant to
12 judicial coordination. Another copy should be sent to the
13 Riverside Superior Court, re: Case Number 154129 and to the Clerk
14 for the Superior Court, for the District of Columbia in re:
15 CHURCH OF SCIENTOLOGY INTERNATIONAL v. CORYDON CA 8048-87.

16 21. The reporter's transcript of proceedings of Monday,
17 February 11, 1985, Exh. E to the motion for reconsideration,
18 quotes Judge Breckenridge (page 74) as believing under California
19 law attorney client privilege cannot be subject to the "crime-
20 fraud" exception based upon a document itself, but needs
21 independent evidence.

22 22. For this proposition of law Scientology cites DICKERSON
23 v. SUPERIOR COURT (1982) 135 Cal.App.3d 93 and NOWELL v.
24 SUPERIOR COURT 223 Cal.App.2d 652. In fact, neither case stands
25 for that proposition. Both cases stand for the proposition that
26 clients, including a corporation, who retains an attorney for
27 purposes of committing a crime or fraud waives any attorney-
28 client privilege. And as set forth in the attached declaration

1 of Gerald Armsrong concerning the MCCC tape it is clear that was
2 what was occuring. Neither Dickerson nor Nowell required
3 independant evidence, but rather stated a "prima facie" showing
4 of a fraudulent purpose must be made, in contrast to a mere
5 allegation. As stated in Dickerson:

6 "Thus, had a prima facie showing of fraudulent purpose been
7 made, the discovery order would have been proper. That real
8 parties in interest did not raise the issue before the Superior
9 Court..."

10 23. We believe that the motion filed for November 9, 1988,
11 presented such evidence.⁴ Attached to the November 9, 1988
12 motion is the Declaration of Vicki Aznaran who declared that she
13 has been involved with Scientology for fifteen years (paragraph
14 2). She actually became president of "Religious Technology
15 Center" and was one of the top authority figures within the
16 Church of Scientology (paragraph 3 and 8). She testified to
17 attending "many litigation meetings" and becoming aware of
18 Scientology's "dirty tricks and maneuvers." She further declared
19 that Scientology's practice was to use the legal system to abuse
20 and harass its enemies (paragraph 11). She testified that policy
21 was followed in every legal case (paragraph 11). She further
22 testified that documents ordered produced in the herein Armstrong
23 case were instead destroyed (paragraph 12). She testified this
24 practice continued in other litigation (paragraph 13-15).

25 24. More specifically, she testified that there was a
26 massive document destruction program undertaken to destroy any
27

28 ⁴ Again, the opportunity to challenge this motion was
available November 9, 1988 and these issues were addressed. New
facts are not being offered.

1 evidence showing L. Ron Hubbard controlled Scientology and to
2 impede the IRS investigation. This included concealing documents
3 from the IRS (paragraphs 16 and 23). Thus, we have established
4 an ongoing criminal conspiracy involving Scientology and its
5 lawyers to defraud the IRS. In essence, to have transferred
6 assets and monies of the Church of Scientology to the private
7 benefit of L. Ron Hubbard and cover up the same in order to
8 prevent the Church of Scientology from losing its tax-free
9 status.

10 25. Further, this issue has since been adjudicated and such
11 findings are ~~applicable here to the Church of Scientology on~~
12 grounds of collateral estoppel. Attached as Exh. A is the United
13 States' Tax Court decision in CHURCH OF SCIENTOLOGY CALIFORNIA v.
14 COMMISSIONER OF INTERNAL REVENUE. The court found that
15 Scientology, its agents and others "willfully and knowingly
16 conspired to defraud the United States by impairing, instructing
17 and defeating the lawful functions of the IRS in the
18 determination, assessment, and collection of income taxes due
19 from petitioners and from other Scientology organization and
20 officials (page 74)." The decision discusses cover ups and other
21 tactics, and specifically describes Scientology making fraudulent
22 representations, covert activities and the deliveries of monies
23 to the private benefit of L. Ron Hubbard. This decision was
24 affirmed on appeal, THE CHURCH OF SCIENTOLOGY CALIFORNIA v.
25 COMMISSIONER OF INTERNAL REVENUE (9th cir. 1987) 823 F.2d 1310,
26 where the court found Scientology was not being run for
27 exclusively religious purposes and that money went to the private
28 inurement of L. Ron Hubbard and others. See also SCIENTOLOGY v.

1 TAX COMMISSION 120 N.Y. Appellate Div. 376 and THE CHURCH OF
2 SCIENTOLOGY OF NEW YORK v. TAX COMMISSION 501 NYS 2d 863.

3 26. We also attach hereto as Exh. B a copy of a
4 supplemental affidavit of Gerald Armstrong filed in the United
5 States District Court for the District of Massachusetts in VAN
6 SCHEICK v. CHURCH OF SCIENTOLOGY, CALIFORNIA 79-2491-G. Herein,
7 Gerald Armstrong quotes the "MCCS" tapes that are subject of this
8 motion for reconsideration. A review of this document reveals
9 the MCCS tape reflects that a meeting was held for purposes of
10 continuing the ongoing crime-fraud described in the Aznaren
11 declaration. Therein it is described that the Scientology Board
12 of Directors really do not have authority because the Church is
13 bound by the authority of "LRH" (Hubbard).

14 27. After describing the ongoing methods of getting money
15 out of the Church of Scientology and "into the hands of L. Ron
16 Hubbard" Charles Parselle deputy guardian legal worldwide states:
17 "We could say that RRF and CSC are part of the same church, even
18 though they are corporately different. I mean if anything was a
19 sham corporation, it's RRF" (page 4).

20 28. Further Mr. Parselle states: "...but it is obviously
21 in the classic case of inurement if not fraud." At that point
22 Laurel Sullivan stated: "Well put." There was laughter and a
23 speaker stated: "It's all privileged." (page 5).

24 29. In addition to this showing, discovery efforts by Mr.
25 Corydon are liable to produce even greater evidence. Mr. Corydon
26 plans to take the depositions of several other participants in
27 the MCCS meeting.

28 30. Mr. Corydon established relevance at the initial motion

1 to unseal this file. But as to these specific tapes, the
2 relevance is even more clear. In the defamation actions,
3 Scientologists claim that Mr. Corydon has defamed them by
4 statements that Scientologists drill to lie. These tapes
5 establish that fact.

6 31. In the Riverside action, Scientology claims that a
7 Church building should be dedicated to Scientology religious
8 purposes. Whether or not Scientology is a true religion, or a
9 sham operating for the profit of money only is at issue.
10 Further, Mr. Corydon's cross-complaint alleges a cause of action
11 for fraud against the Church of Scientology for donations of
12 monies by Mr. Corydon based upon the representation that the
13 money was going to Scientology's religious purposes rather than
14 to the private inurement of L. Ron Hubbard. The tape proves Mr.
15 Corydon's case.

16 V.
17 CONCLUSION

18 32. In summary, this court should deny the motion for
19 reconsideration as it is not based upon new facts, but rather an
20 attempt at a more detailed argument.

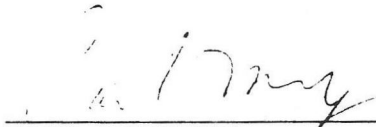
21 33. Should the court allow reconsideration, the motion
22 should be denied because Bent Corydon has made a prima facie
23 showing of the "crime-fraud" exception to any alleged attorney-
24 client privilege.

25 34. If the court does not believe a sufficient showing has
26 been provided, this court should transfer certified copies under
27 seal to the various courts where litigation is pending between
28 Mr. Corydon so that each court can make its determination on
admissability. And this should only apply to the documents

1 denied to the United States, not to the ones listed in the
2 proposed order.

3 35. If the court should for any reason deny any relief to
4 Mr. Corydon, it should do so without prejudice and allow Mr.
5 Corydon to review the balance of the file and present any and
6 all further from any source relating to these issues.

7
8 Date: 11-23-58


9 PAUL MORANTZ
10 A PROFESSIONAL CORPORATION
11 Attorney for Defendant Corydon
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(VERIFICATION — 444, 20155 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am the

in the above entitled action or proceeding; I have read the foregoing

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ at _____, California
(date) (place)

(Signature)

PROOF OF SERVICE BY MAIL (1013a, 20155 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

P.O. Box 511, Pacific Palisades, Ca. 90272

On November 23, 1988, I served the within Opposition to
Motion to Reconsider

on the Parties
in and action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the

United States mail at
addressed as follows:

Eric M. Lieberman
Rabinowitz, Boudin, Standard
Erinsky, & Lieberman, P.C.
740 Broadway, Fifth Floor
New York NY 10003-9518

Timothy Bowles
Bowles & Moxon
6255 Sunset Blvd., Suite 2000
Hollywood CA 90028

Michael L. Hertzberg
740 Broadway, Fifth Floor
New York NY 10003-9518

Executed on

11/23/88

(date)

(Signature)

(date)

enforcement of the tax laws since the notice of deficiency was based on valid regulatory considerations. It is further, various other asserted constitutional rights of petitioner not violated. It is further, petitioner was not operated exclusively for an exempt purpose under sec. 501(c)(3), I.R.C. 1954, since petitioner had a substantial commercial purpose, since its net earnings benefited key Scientology officials, and since it had the illegal purpose of conspiring to impede the IRS from collecting taxes due from petitioner and affiliated churches and thus its activities, dictated at the highest level, violated well-defined public policy.

83 T. C. No. 15

UNITED STATES TAX COURT

CHURCH OF SCIENTOLOGY OF CALIFORNIA, Petitioner *v.* COMMISSIONER
OF INTERNAL REVENUE, Respondent

Docket No. 3352-70.

Filed September 20, 1984.

Petitioner, a Church incorporated in the State of California, was granted tax-exempt status in 1957 under sec. 501(c)(3), I.R.C. 1954. In 1967 respondent sent petitioner a letter revoking its exemption following an audit of petitioner's records which was in part sparked by litigation involving the tax-exempt status of an affiliated Church of Scientology. Subsequent to issuing the letter of revocation, respondent conducted several audits of petitioner's records for various tax years and also reviewed the tax status of real affiliated churches. Petitioner was also investigated by local intelligence groups which respondent specially formed during 1969 through 1973 to investigate taxpayers allegedly selected by essentially political criteria. During the period that petitioner's taxes were under administrative review, petitioner conspired to prevent the IRS from determining and collecting taxes due from petitioner and affiliated churches. Petitioner sold religious services, books, and artifacts according to a fixed fee schedule through its branch churches and franchisees. Petitioner's profits from these sales were not less than \$1,094,617.53 in 1970, \$801,131.10 in 1971, and \$1,707,207.17 in 1972. Petitioner maintained large cash reserves in a sham corporation and in a bogus trust controlled by key church officials including petitioner's founder. It is, petitioner was not the victim of selective

Robert B. Harris, Christopher Cobb, Michael Wallis, and Peter Evans, specially recognized, for the petitioner.

Martin B. Cohen, for the respondent.

STERNETT, Judge: Petitioner, the Church of Scientology of California (California Church or Church), was incorporated as a non-profit corporation in the State of California in 1954. In 1957 respondent recognized petitioner as an organization described in section 501(d)(3)¹ exempt from Federal income taxes under section 501(a). In 1967 respondent revoked petitioner's tax-exempt status. Following an extensive audit of petitioner's records for the years 1971-1974, respondent, by notice of deficiency dated December 20, 1977, determined deficiencies in petitioner's Federal income taxes and additions to tax as follows:

¹Unless otherwise indicated, all section references are to the Internal Revenue Code of 1954 as amended and in effect during the taxable years in issue.

however, both books were copyrighted by L. Ron Hubbard.

Additionally, there are many policy letters contained in the OMC files that were actually written by paid employees of petitioner with L. Ron Hubbard's approval. Nevertheless, despite the fact that L. Ron Hubbard did not personally author the entire nine-volume set, he did receive royalty payments on the sale of this publication.

Petitioner expended funds to protect L. Ron Hubbard's patents and copyrights.

Sometime in the 1960s, Scientology organizations around the world began paying L. Ron Hubbard 10 percent of their income in the guise of debt repayment. These payments were variously referred to as "LAM 10%," "LAM RM," and "LAM Comm. Statistic (Stat.) Revised." The record is peppered with references to these alleged debt repayments in FBO correspondence and policy letters predating the decketed years. It is clear from these documents that there was no set amount of debt which had been negotiated between L. Ron Hubbard and petitioner or any other organization but rather a continuing obligation to make payments based on total receipts.

Petitioner continued to funnel debt repayments to L. Ron Hubbard during the decketed years. Between October 9, 1972 and December 28, 1972, USLO, also called FOLLO, receipted \$19,326.61 in debt repayment from Scientology organizations throughout the United States and Canada including branches of petitioner. On petitioner's invoices (records of receipt), these payments were designated "LAM Repayments," "Founding Debt Payment" or "Per MCO Policy Letter 7 Sept. 72."

CONSPIRACY

Petitioner, its agents, and others willfully and knowingly conspired to defraud the United States by impairing, obstructing, and defeating the lawful functions of the IRS in the determination, assessment, and collection of income taxes due from petitioner and from other Scientology organizations and officials. The conspiracy began in 1969 and continued until approximately July 7, 1977 when the FBI, pursuant to a warrant, searched petitioner's premises for evidence of the conspiracy and related crimes.

There is a written record documenting most of this conspiracy, some of it in official Church publications, some in confidential orders issued by petitioner's Guardian Office, and some in correspondence between Scientology officials. Prior to and during the course of the conspiracy, L. Ron Hubbard issued policy letters and directives depicting the IRS as a danger to Scientology, and threatening to make the IRS swim in circles. During 1969 personnel in petitioner's FBO network corresponded about plans to protect petitioner's tax-exempt status by forging records to conceal petitioner's relationship with OTC. Two confidential orders formulated by petitioner's Guardian Office in 1972 and 1976, respectively, outlined plans to thwart IRS investigations into the tax status of Churches of Scientology by burglarizing Government offices and stealing Government documents. Reports sent to petitioner's Guardian Office describe compliance with the confidential Guardian Order issued in 1976.

In 1969 the IRS began an audit of petitioner's records to determine petitioner's tax liability for the years 1963 through 1967. In the same year top officials on petitioner's staff in the FBO network grew concerned that petitioner's large payments to OTC, a foreign corporation not holding tax-exempt status, would jeopardize petitioner's tax-exempt status. To disguise these payments as debt repayment and to conceal the OTC sham, a cover story was developed.¹⁰ The theme of the cover story was that OTC was a corporation which provided training and consultation services to petitioner for a fee. Petitioner

¹⁰ This scheme drew on L. Ron Hubbard's advice for handling tax matters set forth in a policy letter dated June 25, 1967. L. Ron Hubbard stated--

Now as to TAX, why this is mainly anybody's game of what is a PROFIT. The thing to do is to assign a significance to the figures before the government can. The whole thing is a mess only because arithmetic figures are symbols open to ANY significance. So I normally think of a better significance than the government can. I always put enough errors on a return to satisfy their bloodsucking appetite and STILL come out zero. The game of accounting is just a game of assigning significances to figures. The man with the most imagination wins. BUT there must be correct figures and there must not be gross misassignment of debts as profits or the whole thing won't hang together.

Income tax is a suppressive effect to crush individuals and businesses and deprive the state of national gross product (since none can expand). The thing which baffles any suppressive is truth. It's the only thing that works. Significances one assigns figures are neither true nor false but always must be reasonable and defensible. And the figures themselves must always check out.

Income does not mean profit. One can and should make all the INCOME one possibly can. Always. The only crime really is to be broke. But when one makes INCOME be sure it is accounted for as to its source and that one covers it with expenses and debts. Handling taxation is as simple as that.

planned several measures to implement this cover and some of them were actually executed.

On May 25, 1969 Vicki Polimani, SSO and high-ranking official in the FBO network, by dispatch orchestrated a plan to disguise payments ADLA and other Advanced Organizations in Denmark and the United Kingdom made to OTC as debt repayment. She ordered the FBOs at ADLA and various other Advanced Organizations to prepare and backdate weekly statements showing that each Advanced Organization was making expenditures on behalf of OTC.¹¹ The FBOs were directed to make these statements using Flag bill folders and Flag summaries. However, the Polimani dispatch directed the FBOs not to mention Flag on the prepared statement. A mock statement itemizing Advanced Organization expenditures on behalf of OTC was included in the dispatch as an example.¹² The dispatch further explained that at the same time the FBOs were preparing the statements, the SSO and others at Flag would prepare billings from OTC to the Advanced Organizations using the statements to substantiate the billings. The purpose of these statements and billings was to

¹¹ This cover story underwent modification so that by the time of the 1971-1974 audit petitioner was claiming that OTC, as petitioner's banking agent, was making expenditures on behalf of petitioner.

¹² The mock statement was addressed to OTC and had a blank space for indicating the name of the Advanced Organization which prepared the billing. The mock statement provided four examples of expenditures paid by the Advanced Organization on behalf of OTC: (1) a payment for marine fuel for the Apollo; (2) a payment to an OTC employee for expenses while on field assignment; (3) an airfare payment, and (4) a payment to the captain of the Neptune to cover ship's expenses.

manufacture evidence to show to the IRS which would disguise Advanced Organization payments to OTC as debt repayment for services OTC had allegedly rendered. In fact OTC, by petitioner's own admission, did not perform services for petitioner of the type described in the next statement.

As part of the coverup plan, the RSO International wrote the RSO at AOLA on May 29, 1969 informing him that changes would have to be made to AOLA's disbursement vouchers and invoices to OTC dating back to August 1968 to make them support petitioner's tax story. (Petitioner's branch churches used disbursement vouchers to record payments and invoices to record receipts.) On June 1, 1969 the RSO International also directed the RSO AOLA to prepare new signature cards and change the drawer's name on checks for account number 6919 used by AOLA but periodically maintained in the name of OTC at the Wilshire-Westlake Office of the Crocker-Citizens National Bank in Los Angeles. This was no. Signature cards for this account show that between August 3, 1968 (when the account was established) and August 13, 1969 the account was periodically held in the name of OTC or OTC, in combination with petitioner's name or AOLA's name. However, beginning on August 11, 1969, account number 6919 was held in AOLA's name with no mention of OTC. Sometime in 1969 the drawer's name was also changed on checks for account number 6919 from OTC to Church of Scientology of California Advanced Organization of Los Angeles Reserve Account.

During the duhatched years, petitioner advocated and practiced the use of obstructionist tactics to thwart IRS

investigations of petitioner and affiliated churches. In 1970 petitioner's tax returns for the taxable years 1964 through 1967 were under audit. In June or July of that year Martin Greenberg, the Church's accountant, told an assembled group of Scientologists³³ that he purposely made the audit difficult. He said he gave the examiner boxes of original records, disbursement vouchers and invoices in no semblance of order with the intent of so hopelessly overwhelming and confusing the examiner that he would be forced to give up the examination and accept petitioner's version of the facts. In April 1972 Mr. Greenberg instructed a member of the financial staff at an affiliated Church of Scientology to use similar tactics if IRS agents ever came to her church to examine records. She was told to give the IRS agent a bunch of records in a box in no semblance of order, to place the agent in a dark, small, out-of-the-way room, to refuse to give practical assistance like locating records, and to notify petitioner's Guardian office immediately of the agent's presence. Manning Boldt, petitioner's vice president and the Deputy Guardian Finance in petitioner's Guardian Office, gave this staff member similar instructions.

For approximately two years from May 1971 through February 1973, IRS Agent Robert Claberton tried unsuccessfully to audit

³³Those present were: Elma Jason, Assistant to the Deputy Commodore; Jane Bomber, Guardian Worldwide; and Scott Mayer, a low-level Scientology official and later a Government witness.

petitioner's 1968 and 1969 tax returns.³⁶ Part of the audit's lack of success was attributable to the IRS's failure to pursue vigorously the audit and part to petitioner's refusal to cooperate.³⁵ Petitioner never allowed agent Cluerton access to its financial records. On February 9, 1973 agent Cluerton served an administrative summons on Bonnie Boldt, vice-president and director of petitioner. The summons specified records and documents to be produced and allowed a 10-day return. Boldt did not comply. On February 20, 1973 Boldt appeared at the Los Angeles IRS office and handed Cluerton a letter stating he had resigned as an officer of the California Church and therefore did not have control of its records. Notwithstanding his resignation, Boldt continued to exercise control over petitioner's financial records. By letter dated June 12, 1973 he authorized the Crocker-Citizens National Bank to release certain bank statements to the bearer of the letter.

On or about October 26, 1971, petitioner filed an informational return, Form 990, for the taxable year 1970; on or about August 21, 1972, for 1971; and on or about October 12, 1973, for 1972. All three informational returns were prepared and signed

³⁶ Initially the audit covered just the 1968 tax return. In March 1972 petitioner's 1969 tax return was added. Office policy required audits to cover all back tax years until the taxpayer was brought up to date.

³⁵ Petitioner maintained that the purpose of the IRS audit of its 1968 and 1969 tax returns was harassment and justified its refusal to cooperate on this ground. Our findings on this issue are contained supra at 14-18.

by Martin Greenberg, certified public accountant. Reverend Mulligan as president co-signed the 1970 return; Craig Booney as secretary and vice-president, respectively, co-signed the 1971 and 1972 returns. The returns were signed under penalty of perjury. They do not contain financial information for the United Kingdom Church or OYC.

During and after the designated years, petitioner's Guardian Offices in the United States and the United Kingdom planned and executed a scheme to infiltrate the IRS, seize records pertaining to Scientology-related tax matters pending before the IRS, and conceal petitioner's connection to these covert, illegal activities. During this period the highest ranking Guardian was Mary Sue Hubbard who held the position Commodore Staff Guardian. Jane Benber, the Guardian Worldwide, was just under her in rank. In the United States during the years 1970-1973, the highest ranking official in the Guardian Office was Robert Thomas, the Deputy Guardian United States (DG US). His senior staff and their positions from 1970-1972 were as follows:

James Mulligan	Deputy Deputy Guardian ³⁶
Joel Greiner	Deputy Guardian Legal
Craig Booney	Deputy Guardian Technology
Bonnie Boldt	Deputy Guardian Finance
Arthur Haden	Deputy Guardian Public Relations
Tercy Milner	Deputy Guardian Intelligence ³⁷

³⁶ In 1973 James Mulligan's title was changed to Commodore Staff Guardian Communicator, U.S.

³⁷ The Intelligence Division of the Guardian Office was also referred to as "B-6" or "Bureau 6."

Martin J. Greenberg, whose title was CPA US, was an adjunct of the United States Guardian Office during these years. He was petitioner's accountant. Manning Boldt reviewed his work. By the end of 1972 the USGO had 44 staff members. James Mulligan, Craig Dooney and Manning Boldt also served as officers and directors of petitioner during the described years. Their positions and dates of service were--

James Mulligan	Director and President (January 1, 1970--September 3, 1973)
Manning Boldt	Director and Vice-President (February 23, 1971--February 16, 1973)
Craig Dooney	Director and Secretary (February 23, 1971--April 13, 1973)

In April 1972, petitioner's Guardian Office formulated a three-prong plan designed to stop what it perceived to be an IRS attack on Scientology. The plan was developed in response to several unfavorable tax rulings revealing the tax-exempt status of branches of Scientology in the United States. The plan called for three separate intelligence operations: Operation Search and Destroy, Operation Random Harvest, and Operation Paris. The purpose of Operation Search and Destroy was to identify organizations and individuals furnishing information to the IRS and secure information about them covertly and overtly which could be used to discredit or "Dead Agent" them. This plan appears to have been a continuation of an earlier program since the Intelligence Bureau of the Guardian Office was already in possession of files taken from organizations providing

information to the IRS.³⁰ Care was to be taken to prevent the Church of Scientology from being connected to the covert component of the operation.

The purpose of Operation Random Harvest was to document criminal activity on the part of the IRS. The purpose of the third intelligence program, Operation Paris, was to identify IRS personnel handling Scientology tax matters and to investigate their backgrounds and activities. A segment of the plan called for recruiting a "plant" to develop social and professional contacts with IRS personnel and develop a cover to hide his affiliation with the Church of Scientology. Significant information gleaned from Operation Paris was to be forwarded to the Intelligence Bureau of the Guardian Office. The Deputy Guardian Intelligence (DG Int US) was placed in charge of this project.

The Guardian Office later developed another plan to infiltrate the IRS and appropriate documents. The plan is memorialized in Guardian Order 1361 dated October 21, 1974. The plan was developed in response to the IRS's continuing investigation of Scientology tax matters which petitioner viewed as an attack. Part of this investigation covered petitioner's tax returns for 1964-1969. The purpose of the plan was to root out damaging reports considered to be false in the IRS files so that the IRS would forget about Scientology and direct its

³⁰The Guardian Office trained personnel to filch documents critical of Scientology.

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attention elsewhere. The plan called for infiltrating IRS offices in Los Angeles, Washington, D.C., and London; stealing files on Scientology and L. Ron Hubbard; and developing a suitable cover story to disguise how the information was obtained. The Deputy Guardian Information, U.S. ("DS Info US") was in charge of implementing most of the plan.

Pursuant to Guardian Order 1361, the IRS offices in Washington, D.C., were burglarized and documents relating to petitioner and other Scientology churches were taken and forwarded to petitioner's Guardian Office. At one point Scientology operatives had difficulty gaining access to IRS intelligence files. They tried to solve this problem by having petitioner's attorney, Joel Brainer, a witness in this case, make a Freedom of Information request for these documents believing the request would lead the IRS to place the files in a central location for processing where they would be more accessible. Operatives gained inside information about the 1971-1974 audit by monitoring the offices of Louis Hubbard and his assistant and then successor, Stephen Friedberg. Their offices were monitored over a period of several months while the 1971-1974 audit was in progress. At one point during this period, operatives reported they had gained access to all of the materials on Scientology kept in Louis Hubbard's office including Chief Counsel's files. They also gained possession of Stephen Friedberg's handwritten daily notes which contained occasional references to the examiner's activities.

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On December 11, 1979 several ranking officials in petitioner's hierarchy were convicted in the United States District Court for the District of Columbia of conspiracy to obstruct justice and to obstruct a criminal investigation in violation of 18 U.S.C. section 371. They were Mary Sue Hubbard, the Founder's wife and second in the executive chain-of-command during the docketed years; Benning Snidt, petitioner's vice-president and Deputy Guardian Finance during the docketed years; Duke Snider, petitioner's president from late 1973 through May 10, 1976 and USDO official; Gregory Willardson, a USGO intelligence official in the post-docketed years; and Richard Weigand, also a USDO intelligence official in the post-docketed years. On the same day Mitchell Norman a/k/a Mike Cooper, a Guardian official employed by the Church of Scientology in the District of Columbia, was convicted of conspiring to steal Government documents including ones pertaining to the 1971-1974 audit.³⁰ A year later, on December 19, 1980, Jane Benher and Morris Budlong were convicted in the United States District Court for the District of Columbia of burglarizing the Exempt Organizations Division of the National Office of the IRS on three occasions in 1976 while the 1971-1974 audit was in progress. Jane Benher, the Guardian Worldwide, was the highest ranking official in the United Kingdom Church during the docketed

³⁰Three other Scientology officials were convicted at the same time. One of the officials was not convicted of a crime related to the conspiracy of obstruction the IRS.

years. Morris Budlong was an official in the Guardian Office Worldwide in the post-dictated years.

In the spring of 1975, Guardian Office personnel came aboard the Apollo and engaged in a project to falsify petitioner's financial records. The project was undertaken in anticipation of an IRS audit.

From June 1975 through July 1976 the IRS audited petitioner's records bearing on its 1971-1974 tax returns. Following the audit, petitioner prepared a Church audit report and maneuvered to have it serve as the operative statement of facts to accompany a request for technical advice. Thereafter petitioner and respondent entered into settlement negotiations which continued even after the notice of deficiency was issued.

The California Church did not keep books or journals to record its financial transactions. The examiners, therefore, worked from original records--checks, disbursement vouchers and receipts. The California Church also gave the examiners tax worksheets for the years 1971 and 1972 in lieu of general ledgers or books of entry. During the course of the audit the examiners received over 100 cartons of records containing by conservative estimate two million documents. The boxes were labeled by type of record and by year; for example, "1971 disbursement vouchers," but the labels did not always correspond with the materials inside. The records were generally not in chronological order. The checks were detached from their stubs. It took three or four examiners from one to two weeks just to organize 49 boxes of records from the San Francisco Organization. The Church's

workpapers were not always prepared in accordance with generally accepted accounting principles and were insufficient to establish the information the California Church was required to report on its returns.

During the audit the examiners tried to fathom the relationship between petitioner and OTC. Several times they asked for cancelled checks from the bank accounts OTC maintained on behalf of the California Church. They were told these might take several weeks to produce since foreign banks did not return cancelled checks as a matter of course. The California Church concealed from the examiners that it regularly received debit advices from the foreign banks in lieu of cancelled checks, and it never produced the cancelled checks. As a result, deducted-year disbursements totaling over \$3 million from the Subic General Account No. 295,730 on which L. Ron Hubbard was a signatory were never explained. The auditors made numerous requests for records to verify that OTC expenditures claimed to be made on petitioner's behalf were actually expended on petitioner for an exempt purpose. The California Church did not comply with some of these requests. In one instance the California Church failed to substantiate a schedule of approximately 100 claimed expenditures. The schedule was pared down to 20 items. The IRS never received adequate documentation, e.g., cancelled checks or third party bills, to substantiate even these 20 items.

During the audit and the ensuing negotiations, petitioner repeatedly represented that OTC was a separate corporation from

petitioner. Petitioner represented that OTC was formed in 1960 to render financial services to the Flag Division abroad the way that a bank would. Petitioner represented that OTC was a trusted agent receiving and banking petitioner's funds and then expending them on petitioner's behalf to support Flag operations. Petitioner represented that OTC personnel performed these financial services. Petitioner further represented that at the start of the agency relationship for a number of circumstances led petitioner to deposit its funds in existing OTC bank accounts, a practice which continued through the taxable years in issue. Petitioner also represented that in 1972 over \$2 million in cash belonging to OTC was transferred to the Apollo and kept in OTC's custody until the end of 1974 when it was credited to petitioner as partial payment of a debt OTC owed petitioner.

All of these representations were false. OTC was in form, but not in fact, a separate entity from petitioner. Petitioner's personnel and not OTC personnel kept the OTC checkbooks, directed the flow of funds into and out of OTC accounts, receipted money on the support of Flag operations and controlled and managed Flag expenditures. The OTC bank accounts were in reality opened and maintained by petitioner.⁴⁰ Only petitioner's personnel were

signatories on the accounts.⁴¹ Mary Sue Hubbard and L. Ron Hubbard were sole signatories on the accounts. The \$2 million in cash that was brought to the Apollo in 1972 in reality belonged to petitioner and not OTC. The cash was withdrawn from a Swiss bank account upon L. Ron Hubbard's authority, transferred to the Apollo by Flag employees, and kept in a file cabinet in a strongroom to which only Mary Sue Hubbard had keys.

Throughout most of the course of the conspiracy, the California Church knowingly concealed the status of the United Kingdom Church as an operating branch of petitioner. The Forms 990 filed by petitioner for the years 1970-1972 did not consolidate or include the receipts, disbursements, assets or liabilities of the United Kingdom Church. Church submissions to the IRS made during the audit and intended to describe petitioner's corporate structure made no mention of the United Kingdom Church. Throughout the audit, petitioner's representatives referred to Scientology activities in the United Kingdom by such names as U.K. Church, U.K., United Kingdom Churches, Worldwide Church in England, and United Kingdom Scientology Organizations. They never used the term "U.K. Branch" or "Church of Scientology of California--U.K. Branch" or a term of like import although they did furnish some records which incidentally, e.g., in letterheads, disclosed the United

Footnote 40--continued

many false representations and material omissions. Respondent did not ratify or adopt Agent Ende's admission.

⁴¹Joyce Popham was a signatory on major OTC accounts. She served on the OTC board of directors but was also a Flag employee and apparently never wrote a check on the OTC accounts.

⁴⁰In footnote 106 of the Church audit report, petitioner represented that OTC put its own monies into OTC accounts used by petitioner. IRS Agent Eugene Ende initialed footnote 106. His initial signified his agreement with the facts in the footnote at not their interpretation. The factual portion of footnote 106 states that Church-prepared summaries of OTC accounts "show that in 1971 OTC deposited \$2,295,164 into these accounts out of total deposits of \$3,957,813 or 58%. In 1972 OTC deposited 10%, or 193,640, and in 1974 64%." The Church audit report contained (continued)

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UNITED STATES DISTRICT COURT
FOR THE
DISTRICT OF MASSACHUSETTS

LA VENDE VAN
SCHMICK, et al,

Plaintiffs

v

CHURCH OF SCIENTOLOGY
OF CALIFORNIA, et al,

Defendants

CIVIL ACTION
NO. 79-2491-G

SUPPLEMENTAL AFFIDAVIT OF GERRY ARMSTRONG

I, Gerry Armstrong, hereby depose under pains and
penalties of perjury as follows:

1) I have personal knowledge of policies of the
Church of Scientology relating to the following facts, or I
have had possession of documents and tapes relating to the
following facts:

2) On or about September 28, 1980, a meeting took
place in the Cedars Complex at Los Angeles, California, one
of the corporate headquarters of the Church of Scientology
of California, (CSC). The meeting was attended by Charles
Parselle, (C.P.), Deputy Guardian for Legal, (DGL), at WW,
who was in charge of all legal activities for Scientology

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throughout the world and Laurel Sullivan, (L.S.), the personal representative of L. Ron Hubbard, a long term senior executive of Scientology and then In Charge, I/C, of a special legal Mission, (MCCS), which mission was seeking to conceal Hubbard's control of Scientology and develop strategies to effectuate actual control by Mr. Hubbard without incurring legal responsibility. Dick Sullivan, a junior executive of the MCCS mission, pursuant to orders, tape recorded the meeting. The individuals in attendance at this meeting are knowledgeable of the fact that Mr. Hubbard has always controlled all aspects of CSC including its bank accounts, policies, etc.

3) At the meeting, the following exchange took place relating to the corporate structure of the Organization and Mr. Hubbard's position in the structure. This exchange was tape recorded with the knowledge and assent of all present:

L.S. "There is no need for them to be the actual Board of Directors.

C.P. There's no need at all for them to be the Board of Directors in order for them to run the Church, but the authority of the Church has to lie somewhere, and on some basis. And since the Church has always chosen a corporate entity, eventually the authority is going to have to vest with the Board of Directors. The only reason it's worked so long without that occurring is because is because everyone has effectively been bound by the authority of LRH and have ignored corporate lines." (Emphasis supplied)

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4) It was common knowledge among senior executives of CSC that Mr. Hubbard had absolute control of all large corporate bank accounts and that he, alone, had the authority to order withdrawal of very large amounts from these accounts. He controlled these accounts through various people mainly CMO members. Neither the "Directors" of CSC nor any other CSC executives had such authority or control. This policy was practiced throughout the period of at least 1970 to when I left the Organization in December, 1981.

5) Mr. Hubbard received millions of dollars through a dummy corporation (R.R.F.), specifically set up to funnel money to him which should have been paid to CSC by foreign customers paying for "Flag" services. "Flag" is part of CSC. At a strategy meeting on September 29, 1980, held by several high ranking senior executives of the Church, the purpose of which was to develop legal strategies to shield Mr. Hubbard but funnel corporate money to him, the following exchange took place. This exchange was tape recorded with the knowledge of all present. The following people were some of those present:

- a. Charles Parselle, Deputy Guardian
Legal World Wide, (CP)
- b. Alan Wertheimer, attorney for L. Ron
Hubbard working with Laurel Sullivan and
the MCCS Mission, (AW)
- c. Laurel Sullivan, L. Ron Hubbard's
Personal Representative and I/C of MCCS,
(LS)

000303

d. Dick Sullivan, husband of Laurel Sullivan and a junior executive on the MCCS Mission, (DS)

The exchange was as follows:

CP: "Right. That's a very helpful exercise. And also I may say this, that it is very very helpful for LRH to have his own attorneys, i.e. yourselves, because for many years we have been missing this essential service and we have done this exercise of trying to think of the way it would be on the one side and trying to think of the way it would be on the other side and it really doesn't work very well to do that. It doesn't work to represent both parties at the same time. Especially if you also happen to be a Scientologist and involved in that particular way as well. So, I'm with relief representing the Church interest and I certainly invite you to represent Ron's interest as much as you can. I say that RRF, which is as far as I am concerned part of the Church, made a mistake when it paid over that 2.1 million. RRF had nothing... We could say that RRF and CSC are part of the same Church, even though they are corporately different. I mean if anything was a sham corporation, it's RRF.

AW: "As I understand it, RRF receives monies that would otherwise be due the California Church for services rendered by the California Church to people outside of the country who decide to pay the Church from outside the country.

CP: "That's right.

AW: "So that's basically right?

CP: "That's right. Foreign - non-US Scientologists who wish to pay for Flag services pay RRF and then go to Flag and take the services. RRF was originally supposed to hold the money until the service was rendered and then pay it to CSC. But in fact, it has not really done that and so CSC has rendered much service to many foreign Scientologists and RRF has got the money. Fortunately for us,

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RRF wasn't incorporated until 1973 and we are now litigating 1972. So, I haven't really tried to sort this one out but it obviously is the classic case (loud laugh) of inurement, if not fraud.

(Several laughs.)

LS: "Well, put.

Speaker Unidentified: "It's all privileged.

DS: "The tape recorder is going here, Charles.

CP: "However, as you can see, our financial direction is really weighted to this solution and it is an ongoing battle which I will eventually win because I am the one who has to litigate the case next year and we obviously have to handle RRF. The way we will probably handle it is by simply saying it is part of the same Church, in fact. Now that, of course, goes directly contrary to what you're doing which is to split LRH off from the Church and to talk about the corporate integrity of the different Churches. Unfortunately, the Churches do not have any corporate integrity. And our efforts to give them corporate integrity have not hitherto been successful. Now when you talk around a table like this and there is no Internal Revenue agent present, (whispered: I hope so), bugged or otherwise, one can work out solutions. But when you are a few weeks away from a trial and everything you say is going to be rammed down your throat, then you have to start looking at what actually happened. And it's very difficult to assign significances to things other than what was actually being done at the time. We are trying to say for example that Flag in 1970 is a part of California Church which is probably true but there is no documentation to say that and the truth of the matter is that Marty Greenburg, the accountant, decided to include Flag's accounts in California accounts some years later for convenience. So the decision, what is - the IRS can say and are in fact alleging that Flag in those years, 1970 to 1972,

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was an unincorporated association to which CSC's income insured on a grand scale. We cannot point to a document which says, "Actually Flag was part of CSC during the years of question" because it doesn't exist because no one really thought of it. So, we have to have a different theory of the case which is going to account for all facts and omitted facts which do exist.

Speaker Unidentified: "Is this the why of efforts to create corporate integrity in 1980?"

6) It is common knowledge among senior executives of the Organization and it is the policy of CSC that Members of the Boards of Directors of the various Scientology corporations are mere figureheads, without authority or control, not for internal corporate reasons, but rather to vest control in Mr. Hubbard. I have personal knowledge that in order to carry out this corporate fraud, Organization executives have engaged in various unethical practices including backdating phony Board Minutes and forging signatures.

STATE OF CALIFORNIA,

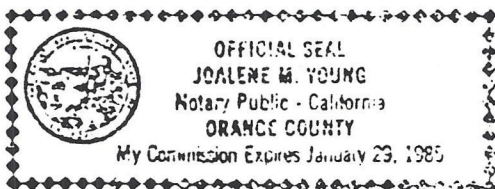
COUNTY OF Orange

ss.

ON August 11, 1982
before me, the undersigned, a Notary Public in and for said State, personally appeared

Gerry Armstrong, known to me,
to be the person whose name is subscribed to the within Instrument,
and acknowledged to me that he executed the same.

WITNESS my hand and official seal.



Joalene M. Young
Notary Public in and for said State.

COMMONWEALTH OF MASSACHUSETTS
THE TRIAL COURT
THE PROBATE & FAMILY COURT DEPARTMENT

MIDDLESEX DIVISION

MOTION TO AMEND PETITION
OF APPOINTMENT OF GUARDIANSHIP

Now comes the Petitioner, Marlene Peacock, in
the matter of the appointment of a guardian for Richard
Low. Petitioner respectfully requests that her
petition for appointment as guardian of Richard Low be
amended so that her name is changed to Marlene Westberg.

In support of this motion the Petitioner states
that on March 12, 1983, she married and changed her
name to Marlene Westberg.

Respectfully submitted,

Mary Erlandson-Maloney

McCarthy & Sheehan, P.C.
12 Union Wharf
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000307

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20 SUPERIOR COURT OF THE STATE OF CALIFORNIA
21 COUNTY OF LOS ANGELES

22	CHURCH OF SCIENTOLOGY OF CALIFORNIA,)	Case No. C 420 153
23)	
24	Plaintiff,	)	REPLY TO OPPOSITION TO
25	vs.	)	MOTION FOR CLARIFICATION
26		)	AND OR RECONSIDERATION
27		)	TO PRESERVE SEAL ON ONE
28	GERALD ARMSTRONG, DOES 1 THROUGH	)	DOCUMENT PREVIOUSLY HELD
	10, INCLUSIVE	)	EXCLUDED FROM EVIDENCE
	Defendants.	)	AND HELD TO BE PROTECTED
		)	BY ATTORNEY-CLIENT
		)	PRIVILEGE, AND FIVE
	MARY SUE HUBBARD,	)	ADDITIONAL DOCUMENTS
	Intervenor.	)	PREVIOUSLY EXCLUDED FROM
		)	EVIDENCE AND MAINTAINED
		)	UNDER SEAL
	GERALD ARMSTRONG,)	
	Cross-Complainant,)	
	vs.)	
)	
	CHURCH OF SCIENTOLOGY OF CALIFORNIA,)	
	a California corporation, et al.,)	
	Cross-Defendants.)	Time: 9:00 a.m.
)	Date: November 30, 1988
)	Dept: 56

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1 I - INTRODUCTION

2 The thrust of Corydon's Opposition is that this Court
3 should overturn the well-considered orders of Judge
4 Breckenridge, the Federal District Court and the Ninth Circuit,
5 which sealed and denied federal government access to an
6 attorney-client privileged tape which was never part of the
7 record of this case, and which maintained a seal and protective
8 orders over five other documents which also were never entered
9 into evidence in this case. Corydon seeks to mislead this Court
10 with false representations of fact and law and wholly irrelevant
11 arguments to moot issues which are sub judice before the
12 United States Supreme Court.

13 Preliminarily, however, Corydon's opposition, which was
14 filed and served late and omits a page of argument, should be
15 disregarded in its entirety.

16 II - CORYDON'S LATE AND IMPROPERLY FILED MOTION
17 SHOULD BE DISREGARDED AND HE SHOULD BE DENIED
PERMISSION TO PRESENT ORAL ARGUMENT

18 Notwithstanding the substantive misstatements of fact and
19 law discussed below, Corydon's opposition should additionally be
20 disregarded because of his refusal to follow the rules of this
21 Court.

22 According to the proof of service attached to Corydon's
23 "Opposition to Motion to Reconsider," the motion was filed and
24 served by mail on November 23, 1988. The Opposition was due 5
25 court days prior to the November 30, 1988 hearing, on or
26 before November 21, 1988, and was thus filed two days late.
27 (Rule 317, California Rules of Court). Here "filed" is at best
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1 only presumed, as the Opposition was served with a caption and
2 case number for a different case involving Bent Corydon in the
3 North Valley branch of this Court.

4 Further, the papers were served by mail on November 23,
5 1988. Allowing for the statutory 5 day mail period, the
6 papers are deemed received by statute on November 28, 1988 -
7 the very day that the instant reply is due. Such service
8 violates Rule 317, Rules of Court, and L.D.P.M. §110. On
9 November 23rd, local counsel for the plaintiff/cross defendants
10 contacted counsel for Corydon, Paul Morantz, by telephone to
11 inquire if an opposition had been filed since no service had
12 been received. Mr. Morantz stated that the opposition had
13 been filed and that it was mail served, contending that mail
14 service was appropriate. Mr. Morantz suggested that a copy
15 could be acquired from the clerk. Plaintiff's counsel
16 accordingly directed a paralegal to conduct a two hour search of
17 the clerk's records to acquire a copy of the opposition on
18 November 23rd, without success. (Declaration of Kendrick L.
19 Moxon attached hereto as Exhibit A).

20 On November 25, 1988, Mr. Moxon again contacted Mr.
21 Morantz by telephone and informed him that the opposition
22 could not be located in the clerk's files, and that no service
23 copy had been received in that day's mail. Mr. Moxon
24 requested that a copy of the opposition be made available and
25 that he would send a courier to Mr. Morantz' office to pick
26 it up. Mr. Morantz refused to make a copy available to a
27 courier, stating that he had mailed it and if it did not arrive
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1 then "[counsel] kn[e]w how to make a motion for a continuance."
2 (Declaration of Kendrick L. Moxon.)

3 Additionally, the Opposition which was finally received
4 on Saturday, November 26th, was missing page 3. Counsel have
5 to this day been unable to obtain a copy of the missing page of
6 the Opposition.

7 Such conduct by Corydon's counsel manifests a complete
8 disregard for professional courtesy, the Rules of this Court and
9 the Code of Civil Procedure. Accordingly, quite apart from the
10 points addressed below, Corydon's Opposition should be
11 disregarded by this Court, and pursuant to Law Departments
12 Policy Manual §207, Corydon should be precluded from presenting
13 oral argument on the motion.

14 III - CORYDON'S OPPOSITION MISSTATES THE FACTS AND LAW
15 AND CONFUSES THE ISSUES RAISED IN THE MOTION FOR
CLARIFICATION

16 Corydon's opposition is replete with misstatements of fact,
17 incorrect propositions of law, and inflammatory argument bearing
18 no relevance to the rather simple issues raised by this motion.

19 This motion is addressed only to six documents which
20 presently rest under seal in the court's files, but which
21 never have been part of the public file of the case and
22 never were entered into evidence.^{1/} One of the documents,
23 marked for identification as exhibit 500-CCCCC (the MCCS tapes)

24
25 ^{1/} While plaintiff Church continues to take issue with this
26 Court's order as it relates to the rest of the file, it has not
27 sought reconsideration of that order generally. The Church will
28 seek appellate review of that order, as this court recognized in
granting the stay.

1 was held to be protected by the attorney-client privilege by
2 Judge Breckenridge (twice), by Federal Judge Hupp, (Ex. F,
3 Plaintiff's Motion to Clarify), by a panel of the Ninth Circuit,
4 United States v. Zolin (1987) 809 F.2d 1411, and by the
5 Ninth Circuit sitting en banc. (1988) 842 F.2d 1135. Even
6 the Judge who dissented from the Ninth Circuit en banc
7 ruling would have held that Judge Hupp acted correctly in
8 upholding the privilege. 842 F.2d at 1136-38. Corydon not only
9 has stated no reason to depart from those rulings, but he has
10 blatantly mischaracterized the rulings and improperly maligned
11 the integrity of undersigned counsel.

12 1. On p. 2, lines 9-11 of his opposition, Corydon
13 suggests that Judge Breckenridge revoked orders enjoining
14 Armstrong from copying or disseminating documents.

15 This assertion is false with respect to the six documents
16 at issue here. These documents were turned over by Armstrong to
17 the clerk of this Court pursuant to the original restraining
18 order, were never entered into evidence or the public file, and
19 were never unsealed. Neither Armstrong nor anyone else ever was
20 permitted to copy or disseminate the MCCS tapes; only the United
21 States government was permitted to inspect the other five
22 documents, pursuant to strict protective orders.

23 Moreover, it is not necessary to review the entire record
24 of this case to ascertain the truth of the above statements.
25 Rather, the truth is made clear by a review of Judge
26 Breckenridge's Intended Decision at p. 2, n. 1, by review
27 of the transcript of proceedings of February 11, 1985 and by
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1 the Minute Order of that date.

2 2. Equally bewildering is Corydon's statement on p. 2,
3 lines 14-18, that the Minute Order of February 11, 1985 does not
4 reflect that Judge Breckenridge upheld the privilege with
5 respect to the MCCS tapes. The minute order explicitly states
6 that the motion of the United States to "inspect and copy
7 certain sealed documents" is "denied as to exhibit ...
8 5C's ... " Indeed, the minute order further ordered that a
9 declaration of Gerald Armstrong be sealed. That declaration was
10 identical or virtually identical to the declaration of Armstrong
11 which Corydon gratuitously filed in opposition to the present
12 motion. Judge Breckenridge ordered it sealed precisely because
13 it improperly disclosed purported excerpts of the
14 attorney-client communications at issue.

15 3. Corydon's argument that he should be permitted to
16 inspect the file in order to oppose this motion is absurd; it
17 would defeat the very privileges and privacy interests which
18 plaintiff seeks to protect. Judge Breckenridge's actions are
19 made manifest by the documents already before the Court, and
20 Judge Hupp's are reflected in the reported decisions of the
21 Ninth Circuit. It simply is beyond controversy that the
22 documents at issue were never entered into evidence, that they
23 consistently have remained under seal (independent of the seal
24 upon the entire record which was imposed at the time of
25 settlement), and that the MCCS tapes have been held to be
26 privileged.

27 4. Equally absurd is Corydon's effort to transfer the
28

1 documents to several other courts throughout the country,
2 thereby multiplying litigation and imposing additional burdens
3 on other court systems. Corydon is simply not entitled to
4 multiple bites at the apple. If the tapes are privileged, they
5 are privileged for all purposes. The privilege does not depend
6 upon the peculiarities of particular cases, or even on the
7 question of their relevance, vel non, to such cases. This
8 Court's determination of the issue, subject of course to appeal,
9 should be binding upon all parties.

10 5. Corydon is simply wrong in arguing, albeit in virtually
11 incoherent fashion, that California does not apply an
12 independent evidence rule in determining the applicability of
13 the crime-fraud exception to the attorney-client privilege.

14 The rule is set forth in §915 of the Evidence Code which
15 reads:

16 (a) Subject to subdivision (b) the presiding
17 officer^{2/} may not require disclosure of
18 information claimed to be privileged under this
division in order to rule on the claim of
privilege.^{3/}

19 In Carlton v. Superior Court (1968) 261 Cal.App.2d 282,
20 292-93, 67 Cal.Rptr. 568, the court stated that §915 "means
21 that a court in ruling on a claim of privilege is expressly
22

23 ^{2/} The term "presiding officer" means "the person authorized
24 to rule on a claim of privilege in the proceeding in which the
claim is made." Evidence Code, § 905. The term "of course,
25 includes the judge or other person presiding in a judicial
proceeding." Comment -- Law Revision Commission on § 905.

26 ^{3/} Subdivision (b) of § 915 of the Evidence Code sets forth
27 several exceptions to the independent evidence rule. None are
applicable here.

1 precluded from requiring a disclosure of information claimed to
2 be privileged unless [the exceptions of subdivision (b) apply]."
3 Similarly, in Cooke v. Superior Court, (1978) 83 Cal.App.3d
4 582, 588, 147 Cal.Rptr. 915, 918 the court, in ruling upon a
5 question of privilege, stated that "we must approach that issue
6 without inspection of the documents themselves, under the
7 compulsion of subdivision (a) of §915 of the Evidence Code."

8 The holdings of the Dickerson and Nowell cases, cited
9 in our moving papers, clearly state that the attorney-client
10 privilege cannot be breached and the court cannot require
11 disclosure of the underlying communication upon the mere
12 invocation of the "crime-fraud" exception; rather, the exception
13 must first be demonstrated by prima facie evidence. As
14 Professor Witkin has observed, these and other cases stand for
15 the proposition that the prima facie showing must be made by
16 evidence independent of the communications at issue, as required
17 by §915:

18 [I]t would be wholly destructive of the privilege
19 to require disclosure by the attorney in any case
20 on the mere assertion of opposing counsel.
21 Accordingly, evidence should be presented to show
22 that this was the client's purpose, before the
23 communication is received. (See discussion,
24 Clark v. United States (1932) 289 U.S. 1, 53
25 S.Ct. 465, 77 L.Ed. 993; Nowell v. Superior
26 Court (1963) 223 C.A.2d 652, 657, 36 C.R. 21,
27 quoting the text; Ev.C. 405, Comment [proponent
28 of proffered evidence has burden of proof on
preliminary fact of exception to privilege];
Travelers Ins. Co. v. Superior Court (1983)
143 C.A.3d 436, 446, 447, 191 C.R. 871 [burden
not met]; 77 Harv. L. Rev. 736 [discussing
"proof dilemma"].)

2 Witkin, California Evidence, 3rd Ed. § 1155.

Corydon has presented not a shred of independent evidence

1 that the communications at issue in the MCCS tapes were in
2 furtherance of an on-going crime or fraud. In contrast, the
3 declarations of James Murphy (of the firm of Rosenfeld, Meyer &
4 Susman), Barbara DeCelle, and Lisa Britowich, submitted by the
5 Church in support of the present motion, demonstrate that the
6 communications were entirely proper and lawful.

7 Since Corydon has utterly failed to carry his burden of
8 showing the existence of the exception by prima facie evidence,
9 there is utterly no basis for this Court to rule contrary to the
10 prior rulings of Judge Breckenridge, Judge Hupp, and of the
11 Ninth Circuit.

12 6. Even if there were no independent evidence rule,
13 however, there is no basis to find that the privilege is not
14 applicable. Judge Hupp did not apply the independent evidence
15 rule in deciding to uphold the privilege as to the MCCS tapes.
16 Rather, he reviewed, in camera, not only the excerpt
17 contained in the Armstrong declaration submitted herein by
18 Corydon, but also seventeen pages of single-spaced transcript of
19 the tapes. He held that there is no evidence that the
20 communications at issue involved an ongoing or future crime or
21 fraud, but rather frank and open discussions of past acts in
22 an effort to ensure compliance with the law in the future. To
23 the same effect, see the decision of federal Magistrate
24 Dollinger in Bear v. Church of Scientology of California, 81
25 Civ. 4688 (MJL), 81 Civ. 6864 (MJL) in which the court ordered
26 stricken an Armstrong declaration virtually identical to the one
27 submitted herein by Corydon, holding that the communications are
28

1 privileged and that the excerpts do not make out the crime-fraud
2 exception:

3 "The conversations reflect an effort to establish
4 a clear and definitive relationship among the
5 various Scientology corporations, and between
6 those corporations and L. Ron Hubbard,
7 presumably for the purpose of minimizing the
8 exposure of Hubbard and some of the corporations
9 for the debts and other liabilities of other
10 corporate entities. This type of endeavor is a
11 common task of corporate counsel and is not in
12 itself fraudulent. There is no significant
13 evidence in the record of this case to suggest
14 that the restructuring project referred to by
15 Armstrong involved the intended commission of a
16 fraud, or that the particular communications at
17 issue were in furtherance of that fraud."

18 (Opinion attached as exhibit B.)

19 7. The matters set forth in the remainder of Corydon's
20 opposition are wholly irrelevant to the issues raised herein,
21 are based upon unsupported hearsay of individuals in litigation
22 with the Church, and are made in an effort to divert and
23 prejudice the Court. They must be disregarded. Thus, neither
24 the declaration of Vicki Aznaran nor the decisions in Church
25 of Scientology of California v. Commissioner (1987) 823 F.2d
26 1310 shed even a narrow beam of light on the questions of the
27 privileged status of the MCCS tapes; they have nothing to do
28 with the tapes. For example, the snippet from the tax court
case submitted by Corydon from a portion of the tax court's
decision which was not affirmed by the Ninth Circuit. In
fact, the Ninth Circuit recognized that the Church of
Scientology of California was a bona fide religious entity
and stated in part that the California Church performed a wide
range of charitable functions, including:

1 ...assistance to prisoners, ex offenders, the
2 elderly, the mentally ill and drug addicts. On
3 occasion the Church assisted the poor and the sick.
4 The Church performed christenings, funerals and
5 wedding ceremonies free of charge, and conducted
6 regular Sunday services. The Church chaplain provided
7 marriage and family counseling free of charge. The
8 Church also provided free, a specialized form of
9 auditing geared to help people in crisis.

10 Church of Scientology of California v. Commissioner (1987)

11 823 F.2d 1310, 1313. Further, there is simply no point in
12 responding to the Aznaran declaration, other than to point out
13 that it is barren of specific facts, consists of double or
14 triple hearsay, and constitutes the statement of a highly
15 interested adverse litigant.

16 8. Finally, Corydon's repeated suggestions that the
17 plaintiff and its undersigned counsel are not to be trusted is
18 utterly without foundation and must be condemned. Every
19 statement in the declaration of plaintiff's counsel not only is
20 true, but is based upon documented records in this Court's files
21 or in the files of the federal courts in Zolin. Undersigned
22 counsel have practiced in federal and state courts throughout
23 the country, including the United States Supreme Court, and have
24 never been subjected to the slightest criticism from any court
25 as to their truthfulness or integrity. Moreover, undersigned
26 counsel have represented the Church of Scientology for many
27 years, and have never known any Scientology official ever to
28 suggest that they make inaccurate or false representations to
the court. Mr. Corydon and his counsel are guilty of the worst
form of smear tactics by suggesting that plaintiff and its
counsel have done anything untoward or improper, and the court

1 should make clear that it will not countenance such tactics.

2 CONCLUSION

3 For the foregoing reasons, Corydon's Opposition should be
4 stricken, and plaintiffs' motion for clarification and/or
5 reconsideration should be granted.

6 Dated: November 28, 1988

7 Respectfully submitted,

8 RABINOWITZ, BOUDIN, STANDARD,
9 KRINSKY & LIEBERMAN

10 By: Eric Lieberman
11 Eric Lieberman

12 Attorney for Plaintiff
13 and Intervenor

14 MICHAEL L. HERTZBERG

15
16 By: Michael L. Hertzberg
17 Michael L. Hertzberg

18 Attorney for Intervenor
19 Mary Sue Hubbard

20 BOWLES & MOXON

21
22 By: Kendrick L. Moxon
23 Kendrick L. Moxon

24 Attorney for Plaintiff and
25 Cross-Defendants

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DECLARATION OF KENDRICK L. MOXON

I, Kendrick L. Moxon, hereby declare:

1. I am counsel of record for plaintiff/counter-defendants in the case of Church of Scientology of California v. Gerald Armstrong, et al., No. C420153, Los Angeles County Superior Court. I make the within the statements based upon my own personal knowledge, and if called as witness could competently testify thereto.

2. On November 15, 1988, I personally served Paul Morantz, counsel for Bent Corydon, with Plaintiff/Intervenor's and Cross-Defendants' Motion for Clarification and/or Reconsideration to Preserve Seal On One Document Previously Held Excluded From Evidence and Held To Be Protected by Attorney-Client Privilege, and Five Additional Documents Previously Excluded From Evidence and Maintained Under Seal (hereinafter "motion") The hearing for said motion was scheduled for November 30, 1988.

3. On November 23, 1988, not having received any opposition to the motion, I contacted Mr. Morantz by telephone to inquire if an opposition had been filed. Mr. Morantz stated that it had and that he had mail served a copy to me that day. I informed him that I needed my service copy. Mr. Morantz stated that he had properly served it by mail, and that I could get a copy from the clerk.

4. Accordingly, I caused a paralegal to attempt to get a copy of the opposition from the clerk's office on the afternoon of November 23rd. After a two hour search of the clerk's files, including the filing areas and Department 56, no opposition

1 could be located.

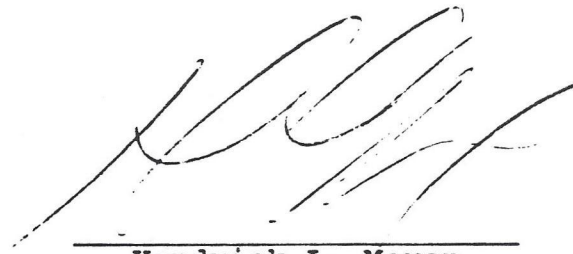
2 5. On November 25th, no opposition to the motion was
3 received in the mail at my office. I therefore again called Mr.
4 Morantz to inform him that I could not get a copy from the
5 clerk, and that no mail service of the opposition had been
6 received. I asked Mr. Morantz to make me another copy and that
7 I would send a courier to his office to pick it up. Mr.
8 Morantz refused to make me a copy, again claiming that he had
9 properly served the opposition by mail. I objected, and Mr.
10 Morantz stated that if I didn't get the motion that "you know
11 how to make a motion for a continuance."

12 6. On Saturday, November 26th, an opposition arrived by
13 mail in my office. The papers were however missing page 3.
14 To this day I have not seen page 3 of the opposition.

15 I declare under the pains and penalties of perjury that
16 the foregoing is true and correct.

17 Signed this 28th day of November, 1988, in Los Angeles,
18 California.

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Kendrick L. Moxon

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

-----X

PEGGY BEAR,

Plaintiff,

against-

CHURCH OF SCIENTOLOGY OF NEW YORK,
CHURCH OF SCIENTOLOGY, MISSION OF EAST
MANHATTAN, CELEBRITY CENTRE, INC., and
CHURCH OF SCIENTOLOGY OF CALIFORNIA,

Defendants.

MEMORANDUM AND
ORDER

81 Civ. 4688 (MJL)

-----X

DONALD BEAR,

Plaintiff,

-against-

CHURCH OF SCIENTOLOGY OF NEW YORK,
CHURCH OF SCIENTOLOGY, MISSION OF EAST
MANHATTAN, CELEBRITY CENTRE, INC.,
CHURCH OF SCIENTOLOGY, MISSION OF
FIFTH AVENUE, and CHURCH OF SCIENTOLOGY
OF CALIFORNIA,

Defendants.

81 Civ. 6864 (MJL)

-----X

MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE:

In the course of extensive briefing of motions for summary judgment, the parties have engaged in a subsidiary dispute concerning the propriety of plaintiffs' filing of certain affidavits. By motions to strike under Fed. R. Civ.

5 DEC.

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P. 56(e), defendants have challenged the use by plaintiffs of all or part of eleven affidavits, all on the grounds of irrelevance or incompetence and one on the separate ground that it invades the attorney-client privilege of the Church of Scientology of California.* For the reasons that follow, defendants' motion is granted in part and denied in part.

Defendants' Motions to Strike

Defendants have filed two discrete motions to strike. The first motion, filed February 28, 1983, attacks as irrelevant and incompetent in their entirety the affidavits of Kevin M. Flynn, dated February 12, 1982; Steven Garritano, dated February 9, 1982; Carol Garrity, dated February 3, 1982; Janie Peterson, dated February 3, 1982; La Venda Van Schaick, dated February 6, 1982; Thomas M. Greene, undated, and

* Rule 56(e) states in relevant part:

Supporting and opposing affidavits shall be made on personal knowledge, shall set forth such facts as would be admissible in evidence, and shall show affirmatively that the affiant is competent to testify to the matters stated therein.

Michael J. Flynn, dated October 4, 1982, together with all the accompanying documents, and seeks to strike certain paragraphs of the affidavit of Thomas Hoffman, dated February 10, 1982, and its annexed Exhibit K.

Defendants' second motion, filed December 11, 1984, asks the Court to strike, as immaterial and incompetent in their entirety, the affidavits of William Franks, Edward Walter and Gerry Armstrong. In addition, defendants assert that the Armstrong affidavit invades the attorney-client privilege of the California Church because it "sets forth purported partial transcripts of tapes of meetings reflecting privileged communications between Church representatives and attorneys retained to give advice." (See Memorandum in Support of Motion to Strike Affidavits filed December 11, 1984 at 3.)

Governing Standards

Rule 56(e) requires that the affidavits reflect the affiant's personal knowledge and describe evidentiary facts admissible at trial and that the affiant be competent to testify to the matters set forth in the affidavit. See, e.g.,

Chandler v. Coughlin, 763 F.2d 110, 113-14 (2d Cir. 1985); Perma Research and Development Co. v. Singer Co., 410 F.2d 572, 578 (2d Cir. 1969). If an affidavit contains material that does not conform to the requirements of Rule 56(e), it is subject to a motion to strike. See, e.g., id. at 578-79. Nonetheless, such relief is not mandatory since the court may simply disregard those affidavits or portions of affidavits that are not consistent with Rule 56(e). See, e.g., Chambless v. Masters, Mates & Pilots Pension Plan, 571 F. Supp. 1430, 1459 (S.D.N.Y. 1983). That approach has been followed in the accompanying Report and Recommendation, which deals with defendants' summary judgment motions, and accordingly defendants' motion to strike for irrelevance and incompetence is denied. Their separate challenge to the Armstrong affidavit, based on invocation of the attorney-client privilege, requires a more extended discussion, however, since a determination must be made whether to require that the affidavit be sealed or otherwise removed from the public record.

The Armstrong affidavit reports the substance of, and purports to quote from, discussions between officials of the California Church of Scientology and its attorneys.

Plaintiffs apparently do not deny that the privilege attaches to these conversations between Scientology officials and their attorneys, but rather assert that the privilege has been vitiated because the conversations embodied in the Armstrong affidavit "were in furtherance of criminal and fraudulent activities" (see Memorandum of Points and Authorities in Opposition to Defendants' Motion at 3), or, in the alternative, that the Church has waived its confidentiality claim. (See id. at 4.) These claims are without basis.*

The federal courts have long held "that communications that otherwise would be protected by the attorney-client privilege. . .are not protected if they relate to client communications in furtherance of contemplated or ongoing criminal or fraudulent conduct." In re Grand Jury Subpoena Duces Tecum Dated September 15, 1983, 731 F.2d 1032, 1038 (2d

* The Armstrong affidavit was originally submitted in support of both state and federal claims asserted by the plaintiffs. Since plaintiffs have dismissed their RICO claims, the only remaining causes of action are based on state tort law. Fairly construed, however, the challenged passages of the affidavit address not only these state law claims, but also the First Amendment religious defense asserted by defendants. Under these circumstances, Fed. R. Evid. 501 is properly interpreted as requiring resort to federal rather than state law for a definition of the scope and applicability of the attorney-client privilege. See, e.g., First Federal Savings & Loan Ass'n of Pittsburgh v. Oppenheim, Appel, Dixon & Co., 110 F.R.D. 557, 560 (S.D.N.Y. 1986) (citing cases).

Cir. 1984) (citing cases). To pierce the privilege on this basis, the movant bears the burden of establishing probable cause to believe that the client has committed or intended to commit a fraud and that the otherwise protected communications were in furtherance of that fraud. See, e.g., id. at 1039; In re John Doe Corp., 675 F.2d 482, 491 & n. 7 (2d Cir. 1982). As explained by the Second Circuit, the evidence must be sufficient for "a prudent person [to] have a reasonable basis to suspect the perpetration of a . . . fraud, and that the communications were in furtherance thereof." In re Grand Jury Subpoena Duces Tecum Dated September 15, 1983, supra, 731 F.2d at 1039.

Judged by this standard, plaintiffs' showing is inadequate to demonstrate that the conversations in question were in furtherance of a fraud.* The conversations reflect an effort to establish a clear and definitive relationship among

* Since the test is "probable cause" or, alternatively, a "prima facie showing," see In re Grand Jury Subpoena Duces Tecum Dated September 15, 1983, supra, 731 F.2d at 1039, I do not rely on defendants' responding affidavits.

the various Scientology corporations, and between those corporations and L. Ron Hubbard, presumably for the purpose of minimizing the exposure of Hubbard and some of the corporations for the debts and other liabilities of other corporate entities. This type of endeavor is a common task of corporate counsel and is not in itself fraudulent. There is no significant evidence in the record of this case to suggest that the restructuring project referred to by Armstrong involved the intended commission of a fraud, or that the particular communications at issue were in furtherance of that fraud.

Plaintiffs also seek to pierce the privilege based upon the claim that defendants waived it on three separate occasions. First, plaintiffs claim that the conversations in question were tape recorded and that the custodian of the tapes voluntarily gave them to Mr. Armstrong, who was charged with preparing a biography of L. Ron Hubbard. (See Plaintiffs' Points and Authorities in Opposition at 4.) Second, plaintiffs assert that defendants waived the privilege because, in an unrelated Florida lawsuit, the Church of Scientology of California failed to object to the submission of an affidavit containing a portion of the confidential

communications. (See id. at 5.) Finally, plaintiffs state that personal representatives and attorneys of L. Ron Hubbard and an entity known as Golden Era Studios participated in one of the discussions at issue, and they argue that this participation waived the privilege. None of these arguments is sustainable. (See id. at 6.)

Plaintiffs' first waiver theory must fail for two reasons. First, disclosure can constitute waiver only if made by a person who holds the privilege or is otherwise authorized to waive it. See, e.g., Velsicol Chemical Corp. v. Parsons, 561 F.2d 671, 674-75 (7th Cir. 1977), cert. denied, 435 U.S. 942 (1978); Schnell v. Schnall, 550 F. Supp. 650, 653 (S.D.N.Y. 1982). In this case Armstrong apparently obtained the tapes from a secretary employed by the Church of Scientology (see Affidavit of Edward Copeland, sworn to January, 1985, at Exh. B, ¶¶ 47-51), and plaintiffs -- who bear the burden of proving waiver* -- neither assert nor suggest that she was authorized by the Church to waive its

* See, e.g., In re Horowitz, 482 F.2d 72, 80 (2d Cir.), cert. denied, 414 U.S. 867 (1973).

privilege or that defendants were in a position to prevent the disclosure. See, e.g., 2 J. Weinstein & M. Berger, Weinstein's Evidence ¶ 512[02] at 512-4 (1986). Second, it appears from the affidavits that Armstrong was given the tapes in the mistaken belief that they were blank, so that he could use them to record material for his biography project. (See Copeland Aff., at Exh. B, ¶¶ 47-51)(See also Declaration of Edward Copeland, Esq., executed December, 1984, at Exh. B). The evidence suggests, therefore, that the disclosure was inadvertent, and under those circumstances there is no basis for implying a waiver of the privilege. See, e.g., Lois Sportswear, U.S.A., Inc. v. Levi Strauss & Co., 104 F.R.D. 103, 105 (S.D.N.Y. 1985); Mendenhall v. Barber-Greene Co., 531 F. Supp. 951, 954-55 (N.D. Ill. 1982).

Plaintiffs' second theory of waiver is equally unavailing. The disputed affidavit was filed in a Florida action in opposition to a motion to dismiss by Mr. and Mrs. Hubbard, whose privilege is also implicated in the disclosure, and the Hubbards timely filed a motion to strike grounded based on their attorney-client privilege. (See Affidavit of Lawrence E. Fuentes, sworn to January 25, 1985, at ¶ 3.) The Florida motions are apparently still pending and -- as of the

time the last affidavits in this case were filed -- had not been fully briefed because the Florida court had yet to rule on the permissible length of the briefs. (Id. at ¶ 4.) Thus the Church of Scientology of California has not yet lost the opportunity to join in the motion to strike, and in fact its Florida attorney represents, without contradiction, that it has been waiting for a ruling on the permissible length of briefs before filing papers in support of its own privilege claim. (Id. at ¶ 5.) Under these circumstances, it cannot be said that the Church has waived the privilege by failing to assert it in the Florida proceeding.

As for plaintiffs' third theory of waiver, the presence of another individuals at conversations between a client and his attorney does not vitiate the privilege if the other person has a common interest that is being furthered by the communication or if that person's presence is for the purpose of assisting the attorney in rendering legal services. See Weinstein's Evidence, supra, ¶ 503(b)[06] at 503-59 to 60 &

nn. 4-5 (citing cases).^{*} The record in this case indicates that Golden Era Studios was a part of the Church of Scientology of California and that the California Church and L. Ron Hubbard were jointly concerned in the matters under discussion. (See Armstrong Affidavit at ¶ 9; Affidavit of Stanley Doyle, Esq., sworn to January 28, 1985 at ¶ 2; Declaration of James M. A. Murphy, Esq., executed January 21, 1985, at ¶ 6.) Under these circumstances, plaintiffs have failed to demonstrate a waiver of the privilege.

CONCLUSION

Because plaintiffs have failed to demonstrate either an exception to or a waiver of the attorney-client privilege of the California Church, I find that the affidavit of Gerry

* Although the "joint interest" principle is normally applied in litigation or pre-litigation situations, Judge Weinstein persuasively suggests that it should also apply in non-litigation contexts. Weinstein's Evidence, supra, ¶ 503(b) [06] at 503-59.

Armstrong, sworn to July 26, 1982, discloses privileged information, and accordingly must be placed under seal. Moreover, those portions of the affidavit that disclose privileged communications -- specifically, paragraphs 6, 7 and 9 -- must be disregarded because they rely upon non-waived privileged communications.

DATED: New York, New York
December 5, 1986

SO ORDERED.

MICHAEL H. DOLINGER
UNITED STATES MAGISTRATE

Copies of the foregoing Memorandum and Order have been mailed this date to:

Michael Flynn, Esq.
12 Union Wharf
Boston, Massachusetts 02109

Harry H. Lipsig, Esq.
Lipsig, Sullivan & Liapakis, P.C.
100 Church Street
New York, New York 10007

Sanford M. Katz, Esq.
Katz & Weinstein, Esqs.
36 West 44th Street
New York, New York 10036

Eric M. Lieberman, Esq.
Rabinowitz, Boudin, Standard,
Krinsky & Lieberman, P.C.
740 Broadway
Fifth Floor
New York, New York 10003-9518

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On November 28, 1988, I caused to be served the foregoing document described as REPLY TO OPPOSITION TO MOTION FOR CLARIFICATION AND OR RECONSIDERATION TO PRESERVE SEAL ON ONE DOCUMENT PREVIOUSLY HELD EXCLUDED FROM EVIDENCE AND HELD TO BE PROTECTED BY ATTORNEY-CLIENT PRIVILEGE, AND FIVE ADDITIONAL DOCUMENTS PREVIOUSLY EXCLUDED FROM EVIDENCE AND MAINTAINED UNDER SEAL on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Hollywood, California, addressed as follows:

SEE ATTACHED LIST.

If hand service is indicated on the attached list, I caused this to be served by hand, otherwise I caused such envelopes with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on November 28, 1988 at Hollywood, California.



SERVICE LIST

Toby Plevin **HAND SERVED**
SAYRE, MORENO, PURCELL & BOUCHER
10866 Wilshire Boulevard
Fourth Floor
Los Angeles, CA 90024

Paul Morantz **HAND SERVED AT PO BOX**
P.O. Box 511
Pacific Palisades, CA 90272

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2
3 PAUL MORANTZ
4 Professional Corporation
5 P.O. Box 511
6 Pacific Palisades, California 90272

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9 Attorney for
10 DEFENDANT

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SUPERIOR COURT OF THE STATE OF CALIFORNIA
FOR THE COUNTY OF LOS ANGELES

11 CHURCH OF SCIENTOLOGY)
12 OF CALIFORNIA)
13 Plaintiff,)

14 vs.)

15 GERALD ARMSTRONG, ET AL)
16 Defendant.)
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CASE NO. C 420153

DECLARATION OF
PAUL MORANTZ

NOVEMBER 30, 1988
DEPT. 56

1 DECLARATION OF PAUL MORANTZ

2 I, PAUL MORANTZ, do hereby declare as follows:

3 I am the attorney for the Plaintiff and if called to the
4 stand and sworn under oath I could competently testify as
5 follows:

6 The reply to our opposition was received this date and does
7 not permit a detailed response. However, we have messengered
8 this declaration to the court because of the blatant
9 misstatements of Kendrick Moxon.

10 The true facts are as follows:

11 On Wednesday, November 23, 1988 Kendrick Moxon telephoned
12 your declarant and asked if an opposition was filed. Your
13 declarant stated that it was sent to the court by messenger and
14 that his copy had been placed in the mail.

15 Mr. Moxon then asked if arrangements could be made to pick
16 up a copy. However, in mid-sentence he changed his mind and said
17 that it would be easier for him to get a copy from the court if
18 our original had been filed. In other words, he withdrew his
19 request for a messengered copy.

20 On Friday, November 25, 1988 at 5 PM, Mr. Moxon telephoned
21 and said he had not received the copy in the mail. He asked for
22 the copy to be messengered.

23 I advised that our office was closed and I had only been in
24 for some brief filing, had to leave and would not be able to
25 comply. I told Mr. Moxon that if he did not have it by the
26 following morning to telephone and I would see to it a copy was
27 messengered on Saturday. I advised that I would check for
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1 messages. I also advised that if this did not give time for a
2 reply then Mr. Moxon could ask for a continuance. No messages
3 were left on Saturday.

4 Despite this cooperation on your declarant's part, Mr. Moxon
5 has filed his false declaration with the court. In our original
6 opposition we advised that Mr. Moxon's proposed order did not
7 match the minute order of Judge Breckenridge.

8 For these reasons, we again reiterate the need to inspect
9 the court file and ask the court to not to accept any Scientology
10 representations of fact. Attached hereto are pages from
11 stipulated evidence in PEOPLE v. HUBBARD a criminal action
12 against Scientologists for obstruction of justice wherein it was
13 stipulated that Mr. Moxon supplied government investigators with
14 false handwriting samples of a Scientologist under investigation.

15 I declare under penalty of perjury that the above is true
16 and correct to the best of my belief.

17 Executed on 11/27, 1988 at Los Angeles,
18 California.

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21 PAUL MORANTZ
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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

:

v.

:

Criminal No. 78-401

MARY SUE HUBBARD, et al.

:

(See Government Exhibit No. 131.) 153/

E. The Guardian's Office Gives
the FBI and the Grand Jury
False Handwriting Exemplars.

In late September 1976, FBI Special Agent Hansen requested the Church of Scientology in Washington, D.C., to supply the government investigators with exemplars of Mr. Meisner's handwriting. In Los Angeles, California, the defendant Raymond met with Mr. Meisner to discuss what should be given to the FBI. She informed Mr. Meisner that it had been decided to give false exemplars to the FBI. In a

ant Weigand to furnish her with a list of all the buildings which Mr. Meisner had illegally entered. The defendant Hubbard stated in that letter that she was, as of that date, fully aware of the existence of an arrest warrant for Mr. Meisner. (Government Exhibit No. 132.) 154/

In order to respond to the defendant Hubbard's inquiry the defendant Raymond met with Mr. Meisner to obtain from him a list of all the buildings he had illegally entered in the District of Columbia and the details of those entries. She then relayed that information to the defendant Weigand who responded to the defendant Hubbard's request in a late

well as a number of other private and Government buildings. 155/ The defendant Weigand pointed out to the defendant Hubbard that he was in the process of "working out a full cover that would cover the log book sign-ins along the lines of they were done to reveal the insecurity within the government for a series of articles that M [Meisner] would be writing as exposes." 156/

155/ The other buildings listed in that letter include the Post Office, the Labor Department's National Office, the Federal Trade Commission, the Department of the Treasury, the U.S. Customs Building, the Drug Enforcement Administration, the American Medical Association's law firm offices in Washington, D.C., and the offices of the law firm representing the St. Petersburg Times, also in Washington, D.C. Handwriting expert James Miller concludes that it is "highly probable"

On October 8, 1976, FBI Special Agent Hansen served upon Assistant Guardian for the Legal Bureau in Washington, D.C. Kendrick "Rick" Moxon a Grand Jury subpoena for all original known handwriting exemplars of Michael Meisner and the employment application and personnel records of Mr. Meisner in the possession of the Church of Scientology. That subpoena was returnable on October 14, 1976. Assistant Guardian for Information in the District of Columbia Richard Kimmel immediately notified the defendant Hermann/Cooper of the service of that subpoena. The defendant Hermann/Cooper then notified the defendants Heldt and Weigand in an October

Bureau in the United States. Mr. Windment/Raymond was to go to the District of Columbia to check the security of the Guardian's Office and the covert operatives who were still functioning--namely the defendant Sharon Thomas (also known as "Judy") and Ms. Nancy Douglass (also known as "Pitts"). Both the defendants Weigand and Heldt signed their approval of that mission. (See Government Exhibit No. 134.) 158/

On October 14, 1976, District of Columbia Assistant Guardian for the Legal Bureau Kendrick "Rick" Moxon, submitted

158/ Handwriting expert James Miller concludes that it is "probable" that the handwritten initials sent to the

an affidavit with nine pages of handwritten material. In the affidavit, he stated that he was unable to locate a personnel file for Mr. Meisner, and that the nine pages of appended handwriting were those of Mr. Meisner. However, as the defendant Raymond stated to Mr. Meisner in a meeting in late September 1976, Mr. Moxon had been directed to supply the government with fake handwriting samples in lieu of Mr. Meisner's true handwriting exemplars.

F. The Guardian's Office
Refines its Cover-Up Plans

October 1976 the defendant Raymond decided

(VERIFICATION — 44a, 20153 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am the _____

in the above entitled action or proceeding; I have read the foregoing _____

and know the contents thereof; and I certify that the same is true of my own knowledge, except as to those matters which are therein stated upon my information or belief, and as to those matters I believe it to be true.

I declare, under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on _____ at _____ California
(date) (place)

(Signature)

PROOF OF SERVICE BY MAIL (1013a, 20153 C. C. P.)

STATE OF CALIFORNIA, COUNTY OF

I am a resident of the county aforesaid; I am over the age of eighteen years and not a party to the within entitled action; my business address is:

P.O. Box 511, Pacific Palisades, Ca. 90272

On November 29, 1988, I served the within Declaration of _____

Paul Morantz

on the Parties _____
in said action, by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid, in the United States mail at _____
addressed as follows:

Mr. Kendrick Moxon
Mr. Timothy Bowles
6535 Wilshire Boulevard
2nd Floor
Los Angeles CA 90048

Executed on 11/29/88

(date)

(place)

California

EXHIBIT X

ORIGINAL FILED
DEC 27 1988
COUNTY CLERK

SUPERIOR COURT OF THE STATE OF CALIFORNIA
COUNTY OF LOS ANGELES

CHURCH OF SCIENTOLOGY OF CALIFORNIA,	)	Case No. C 420 153
)	
Plaintiff,)	
vs.)	
)	
	)	MODIFIED
	)	ORDER FOR
GERALD ARMSTRONG, DOES 1 THROUGH	)	SEQUESTERING
10, INCLUSIVE	)	OF FILES
)	
Defendants.)	
)	
)	
MARY SUE HUBBARD,)	
)	
Intervenor.)	

On consideration of the Motion of Bent Corydon to Unseal File and Plaintiff/Intervenor's and Cross-Defendant's Motion for Clarification and/or Reconsideration to Preserve Seal, IT IS HEREBY ORDERED that on December 30, 1988, the file in the within case shall be unsealed except for individual documents that shall remain under seal, which have been designated by prior court order. Those are Exhibits 500-5C's (the two audio tapes), 500-5K's, 500-5L's, 500-5O's, 500-5P's, and 500-60's.

With regard to the last five designated documents, the ruling as to the Exhibits which shall remain under seal is without prejudice to further motions.

1 After unsealing, the file shall be sequestered. The file
2 shall be available for inspection only in the presence of a
3 deputy clerk. No more than two persons shall be permitted to
4 inspect the file or any part thereof at any one time. Such
5 inspection shall take place only in the filing room of this
6 court.

7 In order to assure that the moving parties have early
8 access to the documents, the Court further orders that for the
9 first ten court days after the seal is removed, only the moving
10 parties and their agents shall be permitted to inspect the file.

11 They are: Paul Morantz, Toby L. Plevin and such other persons

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1 as they may designate. Thereafter, the file may be inspected by
2 others subject to the conditions herein.

3
4 DATED: DEC 27 1988
5 NUNC PRO TUNC
6 November 30, 1988


BRUCE R. GEERNAERT
Superior Court Judge

7 Approved as to form:

PAUL MORANTZ,
A PROFESSIONAL CORPORATION
Attorney for Bent Corydon

SAYRE, MORENO, PURCELL & BOUCHER

10
11 December 27, 1988


FEDERICO C. SAYRE, ESQ.
TOBY L. PLEVIN, ESQ.

Attorneys for Bent Corydon

ERIC LIEBERMAN
RABINOWITZ, BOUDIN, STANDARD,
KRINSKY & LIEBERMAN

Attorney for Plaintiff and
Intervenor

BOWLES & MOXON

19
20
21 December 27, 1988


TIMOTHY BOWLES

Attorneys for Plaintiff
and Cross-Defendant

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

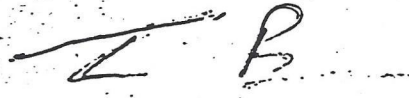
I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On December 27, 1988, I caused to be served the foregoing document described as MODIFIED ORDER FOR SEQUESTERING OF FILES on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Hollywood, California, addressed as follows:

SEE ATTACHED LIST.

If hand service is indicated on the attached list, I caused this to be served by hand, otherwise I caused such envelopes with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on December 27, 1988 at Hollywood, California.



SERVICE LIST

Toby Plevin **HAND DELIVERED**
SAYRE, MORENO, PURCELL & BOUCHER
10866 Wilshire Boulevard
Fourth Floor
Los Angeles, CA 90024

Paul Morantz
Attorney at Law
P.O. Box 511
Pacific Palisades, CA 90272

PROOF OF SERVICE

STATE OF CALIFORNIA)
) ss.
COUNTY OF LOS ANGELES)

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen (18) years and not a party to the within action. My business address is 6255 Sunset Blvd., Suite 2000, Hollywood, California 90028.

On January 9, 1989, I caused to be served the foregoing document described as NOTICE OF LODGING OF EXHIBITS on interested parties in this action by placing a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid in the United States mail at Hollywood, California, addressed as follows:

SEE ATTACHED LIST.

If hand service is indicated on the attached list, I caused this to be served by hand, otherwise I caused such envelopes with postage thereon fully prepaid to be placed in the United States mail at Hollywood, California.

Executed on January 9, 1989 at Hollywood, California.



SERVICE LIST

PAUL MORANTZ
ATTORNEY AT LAW
P.O. Box 511
Pacific Palisades, CA 90272

TOBY PLEVIN **HAND DELIVERED**
SAYRE, MORENO, PURCELL & BOUCHER
10866 Wilshire Blvd.
Fourth Floor
Los Angeles, CA 90024

CLERK SUPERIOR COURT **HAND DELIVERED**
LOS ANGELES COUNTY
111 North Hill Street
Los Angeles, CA

MICHAEL FLYNN
ATTORNEY AT LAW
400 Atlantic Avenue
Boston, Massachusetts